

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
5658 HOUSE HEALTH, EDUCATION & SOCIAL SERVICES

BY GRADE

12 seventh
33 eighth
25 ninth
13 tenth
18 eleventh
22 twelveth

DROPOUTS

one dropout from regular high school
five dropouts from Alternative High School
Three seniors will not be graduating because of lack of credits
Two seniors are marginal, they must pass every course and are receiving tutorial help

ALTERNATIVE CORRESPONDENCE SCHOOL

11 students are below the 3rd grade reading level
3 students are below the 4th grade reading level
3 students are below the 5th grade reading level
3 students are below the 6th grade reading level
5 students are below the 7th grade reading level
8 students are below the 7th grade reading level

- a) parent - 27
- c) parent/teacher - 2
- c) teacher - 1

Native Programs Survey
Sent out 90 - May 31, 1988

Please Circle the number which rates the program according to the importance you feel it should have. Will you please rate these as (1) very important, (2) im-
portant, (3) less important, and (4) not important.

GOALS & OBJECTIVES

Develop academic skills (math, reading, language, science, etc.)

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	25 (93%)	1	1	
T=	3			1

Develop social skills (listening, speaking, self-confidence, etc.)

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	18 (57%)	8 (31%)	1	
T=	2	2		

Develop life skills (job preparation, decision-making, vocational education)

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	17 (66%)	8 (31%)	1	
T=	1	2		1

Develop knowledge of and pride in Native culture and heritage (and in current Native issues) (teachers too!)

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	14 (59%)	3 (13%)	5 (21%)	2
T=	1	2		1

TUTOR PROGRAM

Basic skills, tutoring in math

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	17 (66%)	7 (30%)	1	1
T=		3	1	

Basic skills, tutoring in reading

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	18 (70%)	6 (23%)	1	1
T=	3		1	

Basic skills, tutoring in language arts

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	12 (47%)	8 (31%)	4 (20%)	1
T=		3	1	

Basic skills, tutoring in writing

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	12 (46%)	9 (35%)	3 (15%)	1
T=		1	2	1

Tutor in any subject student needs help in

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	15 (58%)	10 (39%)	1	
T=	1	1	1	1

9

TUTOR PROGRAM (continued)

Tutoring during school hours

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	15 (62%)	7 (27%)	3 (11%)	
T=	1	1	1	1

Tutoring after school hours

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	10 (39%)	8 (31%)	6 (23%)	2 (6%)
T=	1	3		

Preschool Aide (helps teacher with preschool children in school readiness skills)

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	13 (52%)	5 (20%)	6 (24%)	1
T=	1	2	1	

Communication between tutors & parents

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	13 (52%)	10 (40%)	2 (8%)	
T=	1	1	2	

HOME SCHOOL COORDINATOR/COUNSELING

Home visits by Home School Coordinator

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	3 (13%)	11 (46%)	9 (38%)	1
T=	1	3		

Counseling services for students at all grade levels

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	15 (58%)	6 (23%)	4 (15%)	1
T=	2	1	1	

Special help for potential drop-outs

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	14 (56%)	6 (24%)	4 (16%)	1
T=		3		1

Alcohol and drug prevention awareness among school age population

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	14 (58%)	6 (25%)	3 (13%)	1
T=	1	2		1

Child abuse prevention

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	14 (56%)	8 (32%)	3 (12%)	
T=	2	1		1

Career counseling

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	13 (52%)	6 (24%)	5 (20%)	1
T=	1	2	1	

CULTURAL KNOWLEDGE/ENRICHMENT

Native language instruction in Inupiaq

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	9 (368)	6 (248)	5 (208)	5 (208)
T=		3	1	

Native language instruction in Siberian Yupik

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	6 (248)	9 (368)	4 (168)	6 (238)
T=	1	2	1	

Curriculum and materials development on Native cultures

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	14 (548)	1	6 (238)	4 (208)
T=		3	1	

Land claims/Native corporations, Native issues

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	12 (478)	6 (238)	5 (198)	3 (118)
T=	2	1	1	

PARENT INVOLVEMENT

Parent training on discipline, drugs, alcohol

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	11 (428)	9 (358)	4 (158)	2 (88)
T=	2		1	1

Parent training on helping their children with schoolwork, study habits

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	9 (368)	11 (448)	3 (128)	2 (88)
T=	1	2		1

Communication between home and school

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	15 (588)	7 (278)	2 (7.58)	2 (7.58)
T=	1	1	1	1

Native Parent Committee

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
P=	11 (468)	6 (258)	4 (178)	5 (208)
T=	1	2		1

PARENTS

COMMENTS-SECTION III
Other Services

1. Pride is lacking in many students. They need to achieve feelings of self worth, equality, confidence.
2. Consumer Education under Extracurricular Activities.
3. Teacher aids from students enrolled in Exceed etc?
4. Good teachers who are not just in it for the money. The teachers at the Nome Public School make too much money!!
5. Teacher evaluation, to hell with tenour (sp?). If a teacher is worthless & overpaid, then can them.
6. How you are going to get from here to there.
7. School Social workers.
8. The bus rides are hectic, kids are noisy. Extracurricular activities need to have other activities besides basketball continues sponsoring dances. Should have class gatherings, i.e. pizza feeds, video nights, comic book or cassette tape trade-a-shows, or "putting-on-the kids".

PARENTS

COMMENT 3-SECTION V

What Keeps Students From Learning? Others

1. Teachers who drink & go school hangover & shaking.
2. To my knowledge, my children aren't into drugs & alcohol. Let's hope it stays that way.
3. Role models. Students see very poor role models in their teachers. Alcoholics/smokers/moneygrubbers. Bar hoppers.
4. Communication problems between students & teachers. Knowing the Rules - Rules should be the same in all classes with ALL the teachers.
5. In order to learn in school you need discipline in the home and school. I don't mean abuse. I mean discipline with guidelines.
6. I know the 05% of teachers I had were good, the other 95% only collected paychecks. Teacher attitude is a students biggest problem.
7. Community support.
8. No goal is presented, no opportunity to see the need for effort in an area like Algebra or Grammar or History ever arises. The wealth of Literature on the market in the form of News Papers, Magazines, with pertinent articles are ignored in favor of work books. These are sterile.
9. Emotional Maturity.
10. The biggest problem is many teachers don't care. The school is an hostile environment to students & parents. Many students & their parents don't care also. The parents are into bars, bingo & booze. The students into playing out late, booze & drugs.
11. A teacher that is boring to a student - who normally gets good grades. More teachers discipline in student work habits.
12. This question is poorly asked - depending on the child & their problem & home life will reflect the answer of why the child doesn't learn. They all enter into how students learn. Excluding teachers - the quality of the teacher depends on whether many students learn - children at a "normal" home life - aren't motivated & desire to learn by poor teachers - or teachers bringing their problems to the class room.
13. Kids have no idea how Education will help them until after their out of school and working. The people that quit school work for peanuts and those who continue their Education make out like fat rats.
14. Teachers need to promote interest in students. A good teacher can almost teach anyone.

PARENTS

COMMENTS-SECTION V
What Keeps Students From Learning
Others Cont.

15. Lovable Teacher's for our Native childrens.
16. Family violence, teacher interest. Respect.

PARENTS

COMMENTS-SECTION V
What Keeps Students From Learning?
Other Comments

1. Having a goal in life is important. And knowing what is required to reach a goal or job is helpful.
2. Students must experience success and they must be introduced to failure. They must never leave a subject without a mastery of it.
3. An encouraging "SMART" teacher can influence a kid really well. A teacher who gold mines or does other summer jobs only give 3/4%. Teachers are paid for the whole year & should work the whole year.
4. I have a shy 9th grade girl - she needs an Adult "friend" in the school building. Some one she could SAY: "Hi" to or confide with.
5. Some teachers come to school with booze on their breath. Real poor examples for the students to follow.
6. Get rid of all teachers who drink. It's a big lie having drunk teachers and try to put this sheet of paper out.
7. Maybe not encouraging the children and giving them credit for what they have learned.
8. I feel if a student has a potential to learn more, the teacher should see the need to expose the child to a higher advanced level and not to think that just because the other children in the same class are "just learning their a, b, c's, the student has to suffer".
9. Students in Jr. High or High School should not repeat subjects when they are more advanced than other students. Advanced students should be allowed to choose classes that are more challenging and interesting. Example: Jr. High students should not have to repeat basic science in High School but Advanced Science.
10. I think this survey is a good idea. I'd like to have some feedback on it.
11. So we'll have less drop out from our school.
12. Nome Beltz teachers have No Pride as educators. The teachers are very poor role models, with extremely low standards. Nome Beltz School Board members do not know how to function as school policy makers where student achievement(s) are concerned.

STUDENT COMMENTS

Section 5 - What keeps students from learning

1. Interfearence w/other peopel like brothers
2. Teachers don't make the classes that fun so what interest do we have.
3. Like getting bored in class shen the teacher is speaking
4. A loss of relative or good friend.
5. Too may convieniences such as t.v., rec. center, 4 wheelers, etc.
6. Personal problems.
7. Depression.
8. If you already know what the teacher is teaching, you might be bored out of your brains.
9. Not getting enough sleep.
10. What other people think of you.
11. Teachers
12. Not the right skills being taught to study.
13. Music.
14. Some of the teachers don't seem to care if you are failing, they seem to enjoy it.
15. People like teachers telling you what you should do, and what you can't or haven't done.
16. Don't want to, lack of motivation.
17. Not really understanding what the teachers say and don't have time to come in mornings or after school to speak to them.



Alaska State Legislature

Please enter into the record my testimony to the House Health, Education & Social Services
 committee on HCR 18 committee name
 committee on HB, 33, 198, 203, 231, 251 dated 3-31-89
 bill/subject

It amazes me that our legislature can come to us requesting our input on how we would cut necessary services to our people and then turn around and giving one of our biggest industries an unnecessary Tax Credit. What types of services will be cut from the budget when the fishing industry takes advantage of this tax credit? I hope it will only come out of the Fish & Game budgets. It is my feeling that if budget cuts are going to be necessary, H.B. 33 should be scraped. At least until we come on better Times.

See attached sheets.

Signed: Darryl Trigg Darryl Trigg
 Testifier Nome Eskimo Community
NOME ESKIMO COMMUNITY
 Representing (Optional) Box 401, Nome, AK 99762
P.O. Box 401, Nome, ALASKA 99762
 Address (907) 443-2246 443-2246
 Phone No.

TESTIMONY RE: HB'S 198, 203, 281, 251, 252

In regards to HB 198, I feel it is a good bill, but needs under Section 1 an additional sub paragraph that states: -

"(5) For not having a sufficient number of their students passing a test admitting them to the next higher grade."

Section 2 should read "The amendment to AS 14.20.175 made by sec. 1 of this Act, applies to all teachers and administrators hired by a school district prior to and after the effective date of this act.

Subparagraph (5) is suggested because we feel that too many of our students are "socially" rather than "academically" promoted into higher grades. The Nome school district has many high school level students who still are only capable of reading at 3-7 grade levels.

The only problem I see with H.B. 203, is that it does not address non-degreed bilingual Teachers. It is my feeling that they are grossly unrecognized and often under paid.

HCR 18, is, in my opinion, a work of Art with the exception of the last "be it further resolved." This should be an ongoing action.

H.B. 231 is long over due. It is our feeling that Section 14.03.015, subparagraph (c) (d) should include in each grade level, "Entrance and Exit" exams that show our students have actually achieved the academic skills necessary to advance to the next grade level.

HB252

It is the feeling of Nome Eskimo Community that should it become necessary to institute an income tax, that the Longevity Bonus, Property Tax exemptions and the State Dividend check be exempt from taxation. In other words, that income taxes only be levied on earned income and/or wages. We feel that many dollars could be shaved from the budget if the Legislature would study the state hierarchy's and delete all or most of the "pork barrel" positions and administrative costs that were created in times of plenty. Nome Eskimo Community requests that all other sources of revenue and budget cuts be reviewed before an Income Tax is initiated.

We here at Nome Eskimo Community feel that H.B. 251 is supportable and would like to see it + Educational Programs reduce (6

the uneducational "soap" programs.

Telefax 4052718

Representative Eileen Panigo MacLean Box V Juneau, Alaska 99811

I am pleased to offer you my strong support for House Bill 203 concerning the requirements for teacher certification and for House Bill 231 concerning educational planning and advisory boards.

It is important to recognize and reward teachers who possess expertise in such areas as Native language and culture and vocational education. This is a long over-due effort. I would like to see provisions made for offering some education in pedagogical techniques for teachers holding such alternative certification; ~~and~~ such education might take the form of short courses delivered during the summer or on-site.

The education planning grant fund is a useful incentive to encourage districts to undertake planning efforts. It is such local efforts, adapted to a context, that will bring about the types of changes needed in rural schools.

I will be glad to assist in the implementation of these bills. Thank you for the opportunity to offer these comments.

Yours truly,

Judith Kleinfeld Head, Department of Education, Fairbanks Faculty

March 31, 1989

Eileen McClean

Room 128

House of Representatives

Box V

Juneau, Ak. 99811

Dear Representative McClean,

Our Ajnik Polly Schaeffer and a
Partner of 8 children have
graduated.

I'm supporting continued forward
funding and early funding for our
schools.

I'm also a supporter for the
Teacher certification for bilingual
teachers.

Sincerely,

Polly Schaeffer

NANA REGIONAL CORPORATION, INC.

POST OFFICE BOX 49 / KOTZEBUE, ALASKA 99752 / TELEPHONE (907) 442-3301



March 31, 1989

Representative Eileen McLean
Pouch V
Juneau, Alaska 99811

Dear Eileen:

We support your efforts on HB203. For too long the Educational system has ignored the need to integrate the indigenous Native people's culture and values in Education.

One culture should not dominate and obliterate another, and your bill would set a positive note to have the cultures complement, rather than eliminate, each other. Your bill is certainly a step in the right direction.

Sincerely,

Pete Schaeffer
Vice President





Alaska State Legislature

REP. FILIZEN MACLEAN

Please enter into the record my testimony to the _____ committee name

committee on HB 18, HB 203, & HB 231 , dated Testified March 21, 1989
bill/subject submitted April 7, 1989

THESE BILLS WOULD CONTINUE THE NEEDED WORK THAT THE SENATE SPECIAL COMMITTEE ON "SCHOOL PERFORMANCE" THAT WAS CHAIRED BY SENATOR WILLIE HENSLEY.

HB 18 is deeply needed by rural Alaska, so that academic performance could be enhanced in the REAA districts in preparing productive graduates for Alaska's society. The special committee was just a "start" for making improvements for Alaska education, and there is a strong need and desire for more "follow-up" in justifying public expenditure for education, so that Alaska could get the most for what we spend on education. There are many issues that we need to follow up as listed in this bill.

HB 231: This bill would grant more local control over program management and accountability in "education", as to what quality and efficiency ways they want their educational programs to be operated. Also the powers that would be granted under this bill is a long-time-called-for version that would enable the DOE to follow up on the grants and planning that is required of the school districts. To have a effective academic school systems for Alaska. Alaska DOE, local advisory school boards, state board of education, school district and others would need a state education policy to enhance their respective duties and trust for a public education. "ACCOUNTABILITY" is needed, and this bill would help.

HB 203: Rural Alaska and educators are for this bill for it would help the general public and various institutions know what Alaska means by defining what "teacher" is. This would help with the districts to be accountable for the type of staff they hire and keep. The recognition of instructors of language and culture, vocational education and ROTC is really needed, for their programs they implement are academic in nature due to their planning, special knowledge they had to have, and teaching efforts are the same as regular teachers. They do enhance and encourage "academic performance", and build self esteem in the students they serve.

I am for the above three bills for they would help Alaska gain improvement in Alaska's school performance. (I had to recap my testimony by memory...it is close enough)

Signed: _____
Testifier Jerry Mendenhall
None Educator Community, Kenai, C&P/UE instructor, Northway Campna
Representing (Optional)
None, Alaska
Address
907-443-2455 H 2492 W
Phone No.

COLLEGE OF HUMAN AND RURAL DEVELOPMENT



UNIVERSITY OF ALASKA—FAIRBANKS
Fairbanks, Alaska 99775-0900

April 7, 1989

Hon. Silcott McLean
Alaska State Representative
Alaska State Legislature
Box V
Juneau, Alaska 99811

Dear Representative McLean:

I would like to submit as testimony, and comment briefly in support of both House Bill 203 and House Bill 231.

HB 203: I support this with some suggested areas of revision. In concept I believe this is an excellent bill in terms of two major issues we have faced in the educational community of Alaska. First, we have had a circular definition of teacher in statute that needs to be changed. Mr. Wagner has described this problem in detail and I support the new definition of teacher as clear and unambiguous. It is unclear to me why the other categories are put under this definition since in most cases they must have a teaching certificate, while in others they do not (e.g., school psychologist), in order to teach. Those who do not could be dealt with under other types of certificates. However, I believe the important issue is the definition of teacher and I support this statement. I realize that some would say that a definition of a teacher must indicate that the person has a minimum of a bachelor's degree. I do not believe that statute is the place to put this. The bill brings us forward in placing the responsibility for establishing such requirements within the educational community rather than the political arena. I believe the Legislature will contribute greatly to the future of education by supporting a definition and a bill that places responsibility for creating a stable system of licensure under the control of the State Board of Education. In the long range future, this will allow the State to meet the diverse needs of schools in terms of a coherent process of licensure of educational professionals that can develop as the needs of the State change and the profession develops.

HB 231: I am in support of the principles of HB 231. It seems responsive to the needs elucidated in the School Performance Report. Certainly, data from around the country supports the effective involvement of local boards in improving schools. Site based management must involve both professionals and the community. I see the bill as strengthening the capacity for site based decision-making. In terms of the accountability issue, I have forwarded, under separate cover, an example of an evaluation of a complex school system from a group of Native professionals and myself as the one non-Native participant.

UNIVERSITY OF ALASKA - FAIRBANKS

Representative MacLean

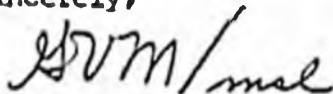
Page 2

April 7, 1989

This accreditation model could have application in the state in the attempt of communities to provide input to schools on how they can improve their performance. Accountability is important. However, the performance of schools is very complex and the whole picture needs analysis. The accreditation model may provide you with some ideas on an alternative which could provide schools and districts with a more thorough model for evaluation from an indigenous perspective.

Thank you for accepting these comments on the two bills.

Sincerely,



Gerald V. Mohatt, Dean
College of Rural Alaska
University of Alaska Fairbanks
7th Floor Gruening Building
Fairbanks, Alaska 99775-0900
(907) 474-7106

House Bill 203

After studying HB 203, I have one major concern - why is Alaska down grading its educational system when the rest of the nation is concerned with improving education in an attempt to stamp out illiteracy. Although Alaska is proud of its schools we do graduate many who can't read and many more drop-out. We should be striving for excellency.

I realize that Representative ^{Maclean} ~~Maclean~~ is trying to help some of the people in her district but this bill may help an adult but harm a child. Has anyone asked the students what their goals are or are we again imposing adult wishes on students. Don't the parents have an obligation to teach the culture and language in the home?

If certification is opened up to those without a baccalaureate degree

I can see districts with financial problems hiring the person without a degree because it would be cheaper. Can you see what would happen if such a person was hired to teach grades 1-3. If we are to improve academic achievement we must be more concerned with the goals and needs of the student. If a child speaks another language he must learn English as soon as possible because the child must learn the reading and math skills taught in grades 1-3 because these skills lead to success in grades 4-12.

If you pass a measure recognizing the people of Rep. ^{MacLean} ~~MacLean~~ district as 'teachers' be sure it is for a limited field of study. Too many such certificates could endanger a district's accreditation.

Fiola Shaw

Legislative Ctr. of AK Retired Teachers Assoc.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
BAYEAU, ALASKA 99811
907.465.3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMFR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

A. HESS 3-31-89

TO: MARK BOYER
RE: HB 203

FROM: Marilyn J. Mount
237 Bentley Drive
Fairbanks, Alaska 99701

452-1417

I have strong concerns about this legislation. The bill, firstly, is written in a vague manner which appears to give total discretion to the individual school boards and the commissioner of education who will waive requirements for unqualified people to fill professional positions. I am assuming it came into being to meet the bush needs since they have a more difficult time finding and keeping qualified educational professionals. The assumption reflected in this bill is that anyone available would be able to fill a position in an educational field. Individuals who are classroom teachers must have completed a college education hence the BA requirement. Administrators, counselors, psychologists have a minimum of a master's degree. A lay person is not qualified to give a psychological test and then interpret the data, provide special education services, lead a school system, conduct a counseling program, properly oversee medical techniques, or be a classroom teacher.

It does not address how long this lay person will be allowed to serve in a BA position without a BA, whether a BA will ever be required and if so when, what salary will be paid to this nontrained individual in relationship to a certified person, or even if a high school diploma is necessary.

This bill makes a mockery of education as a profession. Minimum requirements are a necessary part of our educational system. These minimum requirements include extensive and appropriate training including graduation from a recognized institution of higher learning resulting in the least of which is a BA degree.

What's wrong with education today? HB 203!

Rep. Grunberg

6-0903J
Cramer
4/26/89

Original sponsors: MacLean and Jacko

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 203 ()
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION
5 A BILL

6 For an Act entitled: "An Act relating to requirements for teacher certifi-
7 cates; defining 'teacher'; and providing for an
8 effective date."

9 ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. PURPOSE. The purpose of this Act is to provide for the
certification of teachers in certain limited fields where baccalaureate
12 degree training is not sufficiently available, so long as the person demon-
13 strates both subject matter expertise and teaching competency.

* Sec. 2. AS 14.20.020(b) is repealed and reenacted to read:

(b) To be eligible for a teacher certificate, a person must have
received at least a baccalaureate degree from an institution of higher
education accredited by a recognized regional accrediting association
or approved by the commissioner. However, a person may be issued a
limited certificate, valid only in the area of expertise for which it
is issued, to teach Alaska Native language or culture, military sci-
ence, or a vocational or technical course for which the board deter-
mines by regulation that baccalaureate degree training is not suffi-
ciently available. A person who applies for a limited certificate
must demonstrate, as required by regulations adopted by the board,
instructional skills and subject matter expertise sufficient to ensure
the public that the person is competent as a teacher. The board may
require a person issued a limited certificate to undertake academic
training as may be required by the board by regulation and make satis-
factory progress in the academic training.

1 * Sec. 3. AS 14.20.215(6) is repealed and reenacted to read:

2 (6) "teacher" means a person who, for compensation, in-
3 structs or teaches elementary or secondary school students, and who is
4 not supervised by another person in the same room or classroom, and
5 also includes

6 (A) an individual serving in an administrative capac-
7 ity who supervises teachers;

8 (B) a provider of special education and related ser-
9 vices;

(C) a school counselor;

(D) a school nurse; and

(E) a school psychologist.

13 * Sec. 4. The Board of Education shall report to the legislature on or
14 before January 15, 1995, concerning the implementation of AS 14.20.020(b),
15 amended by sec. 2 of this Act. The report shall include the number of
16 certificates issued under this subsection and other relevant information.

17 * Sec. 5. This Act takes effect July 1, 1989.
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Original sponsors: MacLean and Jacko

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 203 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to requirements for teacher certifi-
7 cates and accounting for teacher certificate fees;
8 defining 'teacher'; and providing for an effective
9 date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. PURPOSE. The purpose of this Act is to

12 (1) provide for the certification of teachers in certain limited
13 fields where baccalaureate degree training is not sufficiently available,
14 so long as the person demonstrates both subject matter expertise and teach-
15 ing competency;

16 (2) clarify ambiguity in existing law by establishing a uniform
17 statewide definition of "teacher";

18 (3) clarify the circumstances and procedures under which emer-
19 gency teacher certificates may be issued;

20 (4) require separate accounting for teacher certificate fees.

21 * Sec. 2. AS 14.20.020 is repealed and reenacted to read:

22 Sec. 14.20.020. REQUIREMENTS FOR ISSUANCE OF CERTIFICATE. (a)

23 The board shall, by regulation, provide for the issuance of various
24 types of teacher certificates, and establish the requirements and
25 application process for issuance of each type, including the fees to
26 be charged. Except as provided in (b) of this section, the board must
27 require for each type that the applicant have received at least a
28 baccalaureate degree from an institution of higher education accredit-
29 ed by a recognized regional accrediting association or approved by the

1 commissioner.

2 (b) The board may establish a class or classes of teacher cer-
3 tificate for which a baccalaureate degree is not required in the
4 following areas: Alaska Native language and culture, Reserve Officer
5 Training Corps training, and certain vocational or technical courses.
6 The board may require a demonstration of instructional skills and
7 subject matter expertise sufficient to assure the public that persons
8 certified under this subsection are competent as teachers. The board
9 may require that those persons enroll in and make satisfactory pro-
10 gress in a program leading to a baccalaureate degree. A certificate
11 issued under this subsection is valid only for the area of expertise
12 for which it was issued.

13 (c) If, despite diligent efforts, an employer has been unable to
14 fill a position that requires certification with an individual holding
15 a certificate issued under (a) or (b) of this section, the employer
16 may request the commissioner to issue an emergency teacher certificate
17 to an individual to enable the employer to fill the position. The
18 board may adopt additional regulations concerning issuance of emer-
19 gency certificates. The commissioner may issue the emergency certifi-
20 cate, for a period not to exceed the school year in which it is is-
21 sued, if satisfied that the requirements of this subsection and the
22 appropriate regulations are met.

23 (d) The commissioner of administration shall separately account
24 for teacher certification fees deposited by the department in the
25 general fund. The annual estimated balance in the account may be used
26 by the legislature to make appropriations to the department to carry
27 out the purposes of this section and to support the activities of the
28 Professional Teaching Practices Commission under AS 14.20.460, 14.20.-
29 470, and 14.20.500.

1 * Sec. 3. AS 14.20.020(a) is amended to read:

2 (a) The board shall, by regulation, provide for the issuance of
3 various types of teacher certificates, and establish the requirements
4 and application process for issuance of each type, including the fees
5 to be charged. The [EXCEPT AS PROVIDED IN (b) OF THIS SECTION, THE]
6 board must require for each type that the applicant have received at
7 least a baccalaureate degree from an institution of higher education
8 accredited by a recognized regional accrediting association or
9 approved by the commissioner.

10 * Sec. 4. AS 14.20.020(c) is amended to read:

11 (c) If, despite diligent efforts, an employer has been unable to
12 fill a position that requires certification with an individual holding
13 a certificate issued under (a) [OR (b)] of this section, the employer
14 may request the commissioner to issue an emergency teacher certificate
15 to an individual to enable the employer to fill the position. The
16 board may adopt additional regulations concerning issuance of emer-
17 gency certificates. The commissioner may issue the emergency certifi-
18 cate, for a period not to exceed the school year in which it is is-
19 sued, if satisfied that the requirements of this subsection and the
20 appropriate regulations are met.

21 * Sec. 5. AS 14.20.215(6) is repealed and reenacted to read:

22 (6) "teacher" means a person who, for compensation, in-
23 structs or teaches elementary or secondary school students, and who is
24 not supervised by another person in the same room or classroom, and
25 also includes

26 (A) an individual serving in an administrative capac-
27 ity who supervises teachers;

28 (B) a provider of special education and related ser-
29 vices;

- 1 (C) a school counselor;
- 2 (D) a school nurse; and
- 3 (E) a school psychologist.

4 * Sec. 6. AS 14.20.020(b) is repealed.

5 * Sec. 7. Notwithstanding sec. 6 of this Act, a certificate issued
6 under AS 14.20.020(b) is valid until it expires.

7 * Sec. 8. Sections 3, 4, 6, and 7 of this Act take effect July 1, 1994.

8 * Sec. 9. Sections 1, 2, and 5 of this Act take effect July 1, 1989

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Original sponsors: MacLean and Jacko

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BY THE HEALTH, EDUCATION AND
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29 ed by a recognized regional accrediting association or approved by the

1 commissioner.

2 (b) The board may establish a class or classes of teacher cer-
3 tificate for which a baccalaureate degree is not required in the
4 following areas: Alaska Native language and culture, Reserve Officer
5 Training Corps training, and certain vocational or technical courses.
6 The board may require a demonstration of competency and academic
7 training as may be necessary to assure the public that persons certi-
8 fied under this subsection are competent as teachers. The board may
9 require that those persons enroll in and make satisfactory progress in
10 a program leading to a baccalaureate degree.

11 (c) If, despite diligent efforts, an employer has been unable to
12 fill a position that requires certification with an individual holding
13 a certificate issued under (a) or (b) of this section, the employer
14 may request the commissioner to issue an emergency teacher certificate
15 to an individual to enable the employer to fill the position. The
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18 cate, for a period not to exceed the school year in which it is is-
19 sued, if satisfied that the requirements of this subsection and the
20 appropriate regulations are met.

21 (d) The commissioner of administration shall separately account
22 for teacher certification fees deposited by the department in the
23 general fund. The annual estimated balance in the account may be used
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25 out the purposes of this section and to support the activities of the
26 Professional Teaching Practices Commission under AS 14.20.460, 14.20.-
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1 instructs or teaches elementary or secondary school students, and who
2 is not supervised by another person in the same room or classroom, and
3 also includes

4 (A) an individual serving in an administrative capac-
5 ity who supervises teachers;

6 (B) a provider of special education and related ser-
7 vices;

8 (C) a school counselor;

9 (D) a school nurse; and

10 (E) a school psychologist.

11 * Sec. 4. This Act takes effect July 1, 1989.
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HB

206

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Creating the Public School
Foundation Reserve Account
Sponsor: Hoffman and Davis
Requestor: House HESS

Agency Affected: Education
BRU: K-12 Support
Components: Foundation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Mary Hakala Phone: 465-2800
Division: Commissioner's Office Date: 3/28/89
Approved by Commissioner: William G. Demmert Date: 3/28/89
Agency: Education

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA
THE LEGISLATURE

POUCH V STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 15, 1989

SUBJECT: Sectional summary of HB 206; An Act
creating the public school foundation
reserve account

TO: Representative Lyman Hoffman
Co-chair, House Finance Committee

FROM: George Utermohle *GU*
Legislative Counsel

This memorandum is a sectional summary of HB 206, as requested by Robert Herron of your staff.

A summary or analysis of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill amends AS 14.17 by adding a new section that creates the public school foundation reserve account in the general fund. The account is created for the purpose of receiving funds for subsequent appropriation by the legislature to the public school foundation program. The account is managed by the Department of Revenue and consists of money appropriated to it by the legislature. Any interest earned by money in the account is accounted for separately and may be subsequently appropriated to the account by the legislature.

Section 2 of the bill provides that the bill takes effect immediately according to AS 01.10.070(c).

GU:gc
WKG8/028

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. HESS 3-29-89

H. HESS 4-3-89

HB

207

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 1800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 15, 1989

SUBJECT: Sectional summary of HB 207; An Act
making an appropriation to the public
school foundation reserve account

TO: Representative Lyman Hoffman
Co-Chair, House Finance Committee

FROM: George Utermohle *GU*
Legislative Counsel

This memorandum is a sectional summary of HB 207, as requested by Robert Herron of your staff.

A summary or analysis of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill appropriates the balance of the earnings reserve account of the Alaska permanent fund on June 30, 1989 to the public school foundation reserve account which is created by HB 206. The balance of the earnings reserve account on June 30, 1989 is expected to be \$605,000,000.

Section 2 of the bill provides that this bill takes effect on the effective date of a bill enacted by the First Session of the Sixteenth Alaska State Legislature that creates the public school foundation reserve account.

GU:gc
WKG8/027

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

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Mary Van Nimwegen

H. HESS 3-29-89
H. HESS 4-3-89

HB

208

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 8, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 4/3/89

The HEALTH, EDUCATION, & SOCIAL SERVICES Committee considered: HB 208

HOUSE BILL NO. 208 [LOANS FOR PART-TIME STUDENTS]

"An Act relating to student loans; and providing for an effective date."

RECOMMENDATIONS:

- [X] be replaced with CSHB 208 (HESS) [] the same title
- [] have attached amendment(s) [X] a new title
- [X] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [X] zero with analysis Education
- [] fiscal note(s) _____
- [] zero fiscal note(s) _____
- [] zero fn/analysis _____

SIGNING DO PASS:

J. Ellis

Mark Boyer

Cheri Davis

W. Turner

W. Turner

W. Turner

SIGNING:

(Check approp. column)

	Do Not Pass	No Rec	Amend

J. Ellis

Chairman's signature

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
JUNEAU ALASKA 99811
907 463 3100

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 29, 1989

SUBJECT: Eligibility requirements for Student Loans -
HB 208

TO: Representative Mark Boyer

FROM: Michael F. Ford *M.F.*
Legislative Counsel

You have asked whether the state may restrict half-time student loans to in-state institutions as provided in HB 208. I believe that the state could restrict it's student loans to in-state schools, and that it would not create any constitutional problems to limit half-time student loans in this manner. This is assuming that this type of eligibility requirement would apply to all residents in an equal manner and would not discriminate against an applicant for a loan, but only against the institution. This restriction would of course deny student loans to those half-time students who wish to attend a program not available in-state. Again, I do not see that this raises a constitutional problem, instead it is a policy question within the power of the legislature to resolve.

MFF:gc
WKG8/089

A M E N D M E N T

OFFERED IN THE HOUSE

BY BOYER

TO: HB 208

Page 3, line 9, after "section;":

Insert "a borrower is not eligible for deferral under this paragraph
for a period longer than eight years;"

A M E N D M E N T

OFFERED IN THE HOUSE

BY BOYER

TO: HB 208

Page 1, line 6:

Delete "student"

Page 1, line 6, after "loans":

Insert "for half-time students; deferral of loan repayment; and the student financial aid committee"

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

VICE CHAIRMAN, HOUSE
HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

MEMBER, HOUSE LABOR AND
COMMERCE COMMITTEE

CHAIR, CHILDREN'S CAUCUS



House of Representatives

FAIRBANKS

1038 LAKEVIEW TERRACE
FAIRBANKS, ALASKA 99701
(907) 456-6473

JUNEAU

P.O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3466

MEMORANDUM

TO: Representative Johnny Ellis, Chairman
House Committee on Health, Education
and Social Services

FROM: Representative Mark Boyer

RE: HB 208

DATE: March 23, 1989

House bill 208 would broaden the group of persons eligible to receive an Alaska student loan to include certain half-time students. The definition of a half-time student is included in the bill language.

HB 208 intends to address the needs of the serious half-time student; students who because of the demands of work, family, a disability, or some other limiting factor are unable to devote themselves to full time study. This bill intends to provide a vehicle to higher education; a vital mission of state government, for those who are bound by socio-economic circumstances. This bill aims to strengthen the rungs on the ladder of success, to insure opportunity for upward mobility and to realize the value and importance of higher education to everyone; a value ingrained in the American way.

Avoiding any potential for abuse of the system is critical to our efforts at designing and implementing post-secondary education programs. As we decipher the needs of the state such as job training and accessibility of higher education to our population, alterations of the existing programs are warranted. The alteration of the student loan program embodied in HB 208 was one of many recommendations taken from the Post-Secondary Education Commission's December 1988 report entitled "Student Financial Aid Alternatives."

Under HB 208, half-time student loans could only be used for tuition, books, and required fees and not for room and board or personal expenses. In contrast to full-time loans, half-time loans would only be used for in-state schools keeping the focus toward state retention of dollars and training for local job markets.

FAIRBANKS 208

Academic eligibility requirements for half-time loans would be the same for full-time loans; students must be in good standing and enrolled in a career education or degree program. Loan terms would be half what they would be for full time students. All other provisions of the current loan program would apply to half-time loans; the interest rate would be 8%, repayment would begin within one year of completing study, and interest would accrue during the one year grace period.

Loans would be administered by the Postsecondary Education Commission as part of the existing full-time student loan portfolio. Loan funds would come from a combination of bond proceeds, loan repayments and state general funds as they do now for full-time loans. It is not anticipated that half-time students would be competing with full-time students for loan funds as available funds have exceeded demand in the last couple of years. In addition, the student loan program's growth is limited to 3% by statute.

I have attached back-up materials. Forthcoming materials and position papers will be placed on file. Thank you for your consideration.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: RE: Loans for half-time
students
 Sponsor: Boyer and Koponen
 Requestor: House HCSS

Agency Affected: Education
 BRU: Postsecondary Education/
Student Loan Corporation
 Components: Student Loan Fund
Student Loan Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

(SEE ATTACHED)

Prepared by: Ronald A. Phipps, Executive Director Phone: 465-2854
 Division: Alaska Commission on Postsecondary Education Date: March 15, 1989

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

HB 208
Analysis of Fiscal Impact

A. Assumptions

1. Total loan awards cannot exceed the statutorily required limit of three percent annual growth and will not exceed the FY 1990 budget appropriation.
2. A portion of borrowers who would have chosen to request a loan for full-time student status will elect to apply for a loan for half-time student status; i.e., a percentage of full-time loans will be supplanted by half-time loans.
3. Staff included in the FY 1990 budget request will be sufficient to service the addition of loans for half-time students.

STATE OF ALASKA

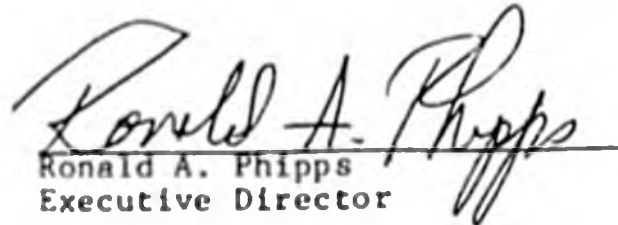
ALASKA COMMISSION ON POSTSECONDARY EDUCATION

STEVE COWPER, GOVERNOR

P O BOX 89
JUNEAU, ALASKA 99811-0089
PHONE (907) 465-2854

House Bill No. 208

At its meeting on March 3, 1989, the Commission on Postsecondary Education endorsed the concept of a half-time Student Loan Program to provide opportunities for those Alaskan students who are unable or disinclined to pursue postsecondary education on a full-time basis.


Ronald A. Phipps
Executive Director

WOHLFORTH, ANGETSINGER, JOHNSON & BRECHT

BY COUNSEL
HARRIS, ORR & HINER
1210 FIRST INTERSTATE CENTER
899 THIRD AVENUE
SEATTLE, WASHINGTON 98104
TELEPHONE (206) 448-8123

JUNEAU
ORUENING & BRITZPADEN
217 SECOND STREET
JUNEAU, ALASKA 99801
907) 886-8110 TELECOPY (907) 886-8688

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
FIRST INTERSTATE CENTER
899 THIRD AVENUE, SUITE 3030
SEATTLE, WASHINGTON 98104
TELEPHONE (206) 448-8123
TELECOPY (206) 448-8126

ANCHORAGE OFFICE
900 WEST 8TH AVENUE, SUITE 800
ANCHORAGE, ALASKA 99501
TELEPHONE (907) 278-6401
TELECOPY (907) 278-6082

March 22, 1989

Dr. Ronald Phipps
Executive Officer
Alaska Student Loan
P.O. Box FP
400 Willoughby Avenue
Juneau, Alaska 98111

Dear Ron:

You have requested that we prepare a position paper with respect to Senate Bill No. 208, an Act Relating to Student Loans and Providing for an Effective Date, (hereafter, the Bill) particularly with respect to the Indenture securing the Corporation's outstanding Bonds. We are happy to provide the following in response to your request.

POSITION PAPER

SENATE BILL NO. 208

Senate Bill No. 208 amends various sections within AS 14.43 to expand the student loan program to include loans to "half-time students". Under present law, the Commission on Postsecondary Education is authorized to make loans under the student loan program only to full-time students.

The Bill defines a "half-time student" generally as a student enrolled in at least six semester credit hours, or the equivalent, at an institution of higher education. The following are the significant differences in the Bill's treatment of half-time students and full time students:

- (1) half-time student loans are limited to an amount that is one-half the maximum amount available to full-time students;

FILE COPY

Dr. Ronald Phipps
March 22, 1989
Page 2

(2) half-time student loans cannot be used to pay for room and board;

(3) half-time students must attend school within the state, both to qualify for a loan and to qualify for interest deferment with respect to an outstanding student loan; and

(4) half-time student loans must be repaid in five years after commencement of repayment (instead of 10 years for full-time loans).

With respect to general aspects of the Bill, we have identified no difficulties in terms of ambiguities, inconsistencies, drafting problems, or the like. Insofar as tax-exempt financing for student loans is concerned, you should be aware that item (3) above (which is expressed in the Bill at page 2, line 11, and at page 3, line 8) would make the half-time student loans ineligible for tax-exempt bond financing. Under the Internal Revenue Code, bonds issued to finance student loans are tax exempt only if the financing program does not restrict the geographical area within which the student must attend school. Accordingly, the Corporation would have to finance these types of loans from assets (most likely appropriations from the State) other than bond proceeds. The loans could be used to secure the Corporation's Bonds, but they would have to be strictly segregated from any funds or accounts under the Indenture that contain Bond proceeds or loans or other investments acquired with Bond proceeds. This is necessary in order to avoid jeopardizing the tax-exempt status of the Bonds.

With respect to any impact the Bill may have on the Indenture or other financing documents used in connection with the issuance of the Corporation's 1988 Series A Bonds, we have reviewed said documents and do not believe the Bill would have any impact. None of the 1988 Series A Bond proceeds would be used to finance the loans that would be permitted by the Bill. There will be no impact on the tax-exempt status of the Bonds (provided the segregation described above occurs). We have identified no covenants or representations, express or implied, in any of the financing

Dr. Ronald Phipps
March 22, 1989
Page 3

documents that would prohibit a change in the student loan program of this sort, and we do not apprehend that the change that would be effected by the Bill would be adverse in any way to the holders of the Bonds.

We hope this adequately responds to your request, but, of course, we are always happy to provide additional assistance at your request.

Very truly yours,



Kenneth E. Vassar

KEV/kc
S10646

March 13, 1989

SECTIONAL SUMMARY

HB 208 RELATING TO HALF-TIME STUDENT LOANS

Sec. 1 Establishes the undergraduate loan limit for half-time students at \$2,750. This is half of the \$5,500 limit for full-time students.

Sec. 2 Establishes the graduate loan limit for half-time students at \$3,250. This is half of the \$6,500 limit for full-time students.

Sec. 3 Limits the use of half-time loan funds to books, tuition, and required fees. Full-time loan funds may also be used for room and board.

Sec. 4 Requires that half-time loan recipients be enrolled in good standing in a career education program, college, or university in the state. These are the same requirements that full-time students must meet, except that full-time loan recipients may attend school out of state.

Sec. 5 Requires repayment of a half-time loan within five years from the commencement of repayment. This is half of the 10 year repayment period for full-time loans.

Sec. 6 Allows for deferral of principal and interest while the half-time student is in school. This same deferral provision applies to full-time students.

Sec. 7 Amends the eligibility provisions of the student loan program to include half-time, as well as full-time, enrollment in a career education, associate, baccalaureate, or graduate degree program in the state. Full-time students may enroll out of state also.

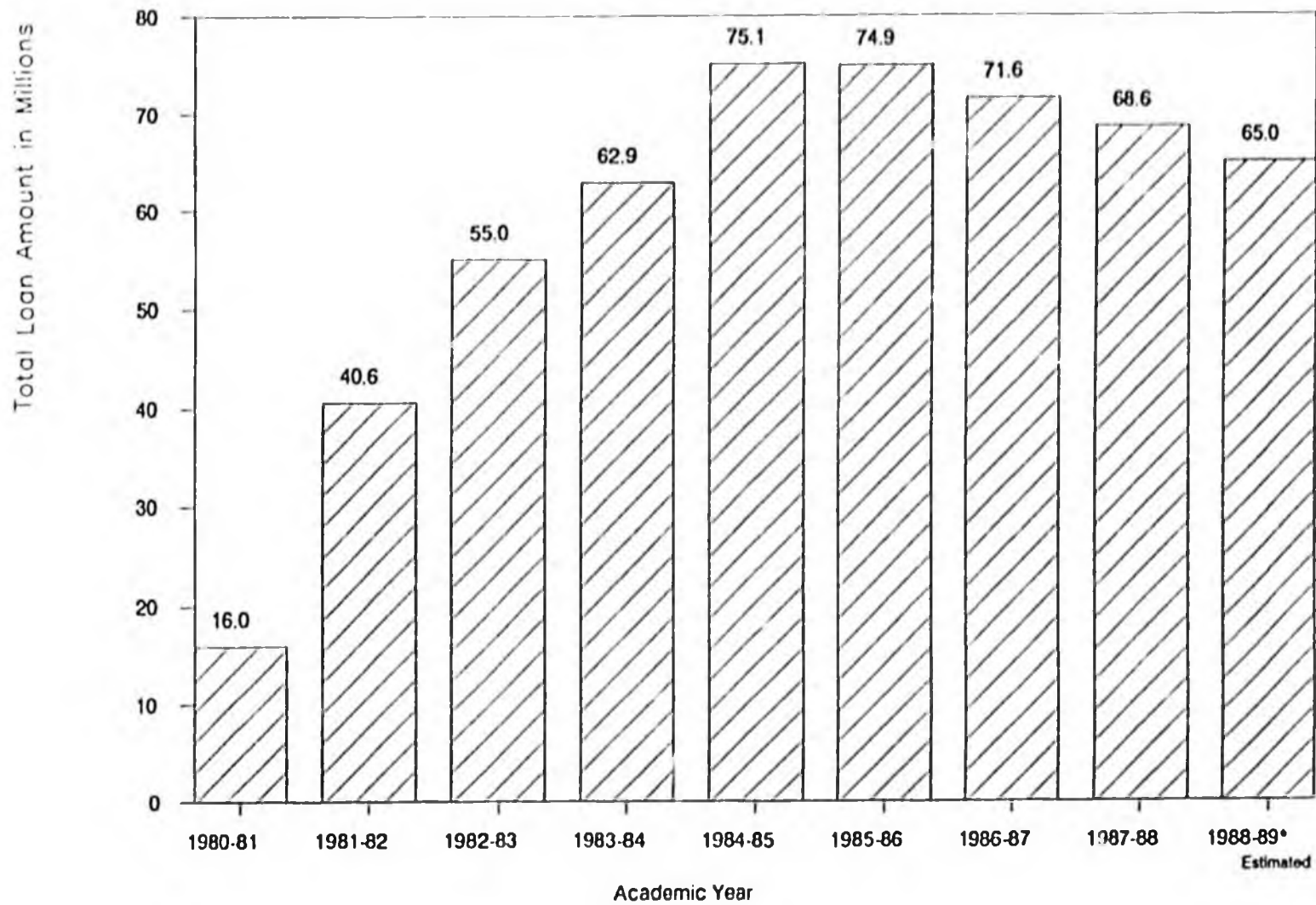
Sec. 8 Defines half-time student as an undergraduate, graduate, or career education student enrolled and in regular attendance for at least six semester credit hours, or a career education student enrolled and in regular attendance at classes for at least 15 hours a week. The definition of a full-time student is enrollment and regular attendance in at least 12 semester credit hours or the equivalent of undergraduate or career study, or 9 hours of graduate study.

Sec. 9 Effective date of July 1, 1989.

NOTE: All sections of HB 208 amend sections of existing law. Provisions of existing law that currently apply to full-time students but that are not referenced in HB 208 would apply to half-time students as well (8% interest, begin repayment within one year of completing study, interest accrual during grace period, default at 120 days, garnishment of Permanent Fund dividends for defaulted loans, two year residency requirement, commission approval of career education programs, etc.).

Alaska Student Loan Program

Loan Amount Per Year



STATE OF ALASKA

STUDENT FINANCIAL AID
ALTERNATIVES

A Discussion Paper



Alaska Commission on Postsecondary Education
December, 1988

STATE OF ALASKA

STUDENT
FINANCIAL AID
PROGRAMS

ANNUAL REPORT
1987-88

Alaska Commission on Postsecondary Education
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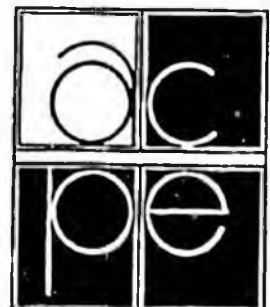


TABLE 14
YEARLY SUMMARY
OF
ALL STUDENT LOANS

ACADEMIC YEAR	STUDENTS ATTENDING IN-STATE				STUDENTS ATTENDING OUT-OF-STATE				TOTAL	
	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Loan Amount
1971-72	601	55.6	\$ 754,964	47.1	480	44.4	\$ 848,194	52.9	1,081	\$ 1,603,158
1972-73	809	46.3	1,079,264	37.6	939	53.7	1,791,120	62.4	1,748	2,870,384
1973-74	622	37.4	1,021,272	34.2	1,043	62.6	1,964,904	65.8	1,665	2,986,176
1974-75	559	38.4	851,138	32.0	898	61.6	1,808,669	68.0	1,457	2,659,807
1975-76	481	28.0	808,536	23.9	1,238	72.0	2,574,461	76.1	1,719	3,382,997
1976-77	584	30.4	927,972	24.1	1,337	69.6	2,922,535	75.9	1,921	3,850,507
1977-78	740	32.7	1,275,122	27.7	1,525	67.3	3,329,045	72.3	2,265	4,604,167
1978-79	902	32.3	1,772,376	27.6	1,893	67.7	4,644,026	72.4	2,795	6,416,402
1979-80	1,303	33.3	2,637,873	28.1	2,615	66.7	6,736,076	71.9	3,918	9,373,949
1980-81	2,733	42.3	5,960,465	37.3	3,727	57.7	10,030,815	62.7	6,460	15,991,280
1981-82	4,454	45.0	16,906,695	41.7	5,444	55.0	23,652,804	58.3	9,898	40,559,499
1982-83	6,581	50.4	25,483,984	46.3	6,477	49.6	29,523,411	53.7	13,058	55,007,395
1983-84	7,467	50.5	29,964,667	47.6	7,318	49.5	32,947,649	52.4	14,785	62,912,316
1984-85	9,266	54.0	37,638,513	50.1	7,907	46.0	37,437,370	49.9	17,173	75,075,883
1985-86	8,249	51.6	36,773,547	49.0	7,734	48.4	38,208,183	51.0	15,983	74,981,730
1986-87	8,650	52.2	35,224,988	49.2	7,916	47.8	36,357,559	50.8	16,566	71,582,547
1987-88	8,847	53.8	34,825,697	50.8	7,606	46.2	33,750,197	49.2	16,453	68,575,894
TOTAL	62,848	48.7	\$233,507,074	46.6	66,097	51.3	\$268,527,017	53.4	128,945	\$502,434,091

More States Are Providing Aid to Those Who Study Part Time

By GOLDIE BLUMENSTYK

Pamela J. Powell has a demanding schedule. A single parent of two grade-school-aged children, she commutes 30 minutes each way to her job at a drug company, and spends two evenings a week and Saturday afternoons in classes at the Newark campus of Rutgers University.

Fortunately for Ms. Powell, who aspires to be a lawyer, New Jersey's student financial-aid policies no longer force her to choose between a job and a college education. Ms. Powell, whose load of three courses a semester makes her a part-time student, can continue to receive state financial aid under a special program started this year.

Changing Nature of Student Body

Unluckily for Jennifer J. Daniels, the State of Washington does not have a similar program. Ms. Daniels is blind and says it is too difficult for her to attend Tacoma Community College full time because transportation poses special problems and she would need to spend an extra \$700 a semester to pay people to read to her.

But students like Ms. Daniels could soon receive help. This year state lawmakers are expected to approve a new program that would provide money to needy part-time students.

"It's really a recognition of the changing composition of the student body," says State Rep. Ken G. Jacobsen, chairman of the Higher Education Committee.

Washington is not alone. Increasingly, state officials are

dealing with the financial needs of the fastest-growing segment of the higher-education market by expanding their financial-aid programs to that working people, parents, and students with disabilities who must attend college part time can receive state aid. Today at least 30 states offer some kind of financial aid for part-timers, although some of the programs are restricted to certain kinds of students.

For example, the New Jersey program that serves Ms. Powell is only for students accepted under special conditions and who require academic help and counseling.

More than half of the 11,000 students in the program come from families with annual incomes of less than \$6,000, and even though they also qualify for federal financial aid, "there's pressure on them to pick up some additional money," says Kwaku Armah, executive director of the program.

Some students, like Ms. Powell, seek to study on a part-time basis, so that they can take a better-paying job, he says. Others are advised to take a lighter course load to help them adjust to college work. But until the state changed its financial-aid policy for them, they could not afford to do so.

In several other states—including Maryland, where the Higher Education Commission will re-evaluate its entire range of state student-aid programs next summer—coordinating boards are considering proposals to create such programs.

State Action Called Overdue

The federal government has made Pell Grants available since 1980 to students carrying at least a "half load" of courses. Beginning in 1990 needy students enrolled for less than half a course load also would be eligible, although it is still unclear whether there will be enough money in the

budget to meet the demand after first satisfying the needy full- and half-time students.

Typically, the financial aid for part-time students provided by states is available only to students taking at least a half load, although Vermont provides aid for students not pursuing a degree if they are taking courses related to their job, and Iowa next year will expand its part-time aid program to include students who take even one course.

For many advocates of financial aid to part-time students, state action of any kind is long overdue.

Students who are working or supporting families "need the help the most," says Joseph S. Murphy, chancellor of the City University of New York and a leading proponent of government support for part-time students.

New York has had such a program for five years. Even so, CUNY lobbyists this year hope to remove some of what Mr. Murphy calls the program's "onerous" requirements. If the student fails to maintain a passing grade-point average, the colleges must return most of the aid to the state, a cumbersome and expensive process. As a result, Mr. Murphy says, institutions are reluctant "to advertise the program, make it widely available, or even participate."

Lawrence N. Gold, a lobbyist in Washington who used to be employed by CUNY and worked to expand the Pell Grant program to students attending less than half time, says the problems with the New York program illustrate a more troublesome issue. Even in states where officials have committed substantial resources—\$11-million in the case of New York—other factors can undermine the effectiveness of programs.

Working students often cannot go to a financial-aid office during regular business hours, and sometimes program budgets do not provide enough money for those offices to maintain

evening hours. Also, Mr. Gold says, some financial-aid officials are reluctant to promote the programs. They require more work than preparing an aid package for a full-time student, since smaller sums are distributed to a greater number of students.

To overcome such barriers, states such as Michigan, which spent \$2-million for aid to part-time students last year, sponsor special campaigns to publicize the programs, including public-service announcements on radio and television stations.

Still, in some states, lawmakers and higher-education officials have rejected the idea of using state money for such programs altogether.

In some of those states, the officials believe the part-time student "is probably not a very serious student, whatever serious means," says Jerry S. Davis, director of policy and research analysis for the Pennsylvania Higher Education Assistance Authority. He completes an annual survey on state financial-aid programs.

In Pennsylvania, for example, a bill to establish an aid program for part-time students has failed to win support from the General Assembly for each of the last three years, although the state does have an extensive financial-aid program for full-timers.

A Solomon-Like Decision

Lawmakers believe "their need isn't as great because they have a job and they're only paying half the tuition and most of them are attending lower-cost community colleges," Mr. Davis says.

Others see the need to help part-time students, but believe that the states should not be the ones to meet it.

W. Ann Reynolds, chancellor of the California State University System, contends that it is a much more appropriate role for the federal government. She notes that many states, including California, are constrained financially by laws that restrict state spending and by cyclical economic conditions.

"We don't have the funding" to pay for the needs of both full-time and part-time students, she says. Deciding which group to serve would present "a Solomon-like decision for us and kind of an awful one."

Ms. Reynolds says California already assists part-time students with its low college costs.

The opposite is true in Vermont, a state with a policy of charging high tuition in public colleges and matching it with large financial-aid awards for needy students.

The Vermont experience also illustrates another problem for state financial-aid programs. Before Vermont started its aid program for part-time students, it was able to meet 68 per cent of the financial-aid needs of full-timers. Today it can afford to meet only 40 per cent of those needs.

Suzanne A. Valenti, executive director of the Vermont Higher Education Planning Commission, says that is the reason she was initially uneasy about the program, now in its fourth year.

"I had some questions about divvying up the pie," she says. "I think it has hurt in that regard."

But Ms. Valenti says she also realizes that not every student "needs or wants a degree," and that many of the part-time students—81 per cent of whom are women—could not have had a college experience without the state program.

"There was obviously an opening of aid for traditional students," she says, but "it's probably helping the people who need it most."

3% limitation

14.42.030

§ 14.42.032

EDUCATION

§ 14.42.032

the vote of
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Assistance for Undergraduate Education), 704 of Title VII (Construction of Academic Facilities), and Part B of Title IV (Guaranteed Student Loan Program) of the Higher Education Act of 1965 (PL 89-329; 79 Stat. 1220, 1262; 20 U.S.C. 1005, 1123) as authorized by § 1202(c) of Title XII of the Higher Education Act of 1965, as amended by the Education Amendments of 1972 (PL 92-318, § 196; 86 Stat. 324);

(4) administer the provisions of AS 14.43.090 — 14.43.160 (student loan program), and serve as the student financial aid committee;

(5) administer the provisions of AS 14.48 (regulation of postsecondary educational institutions);

(6) resolve any disputes that exist or arise under a consortium or other cooperative agreement between institutions of public and private higher education in the state.

(c) The commission may establish task forces, committees or subcommittees, not necessarily consisting of commission members, to advise and assist the commission in carrying out its functions assigned by state or federal statute. The commission may contract with, or use, existing institutions of higher education or other individuals or organizations to make studies, conduct surveys, submit recommendations or otherwise contribute to the work of the commission. The commission may appoint a committee to be responsible for the area of student financial aid.

(d) The commission may enter into agreements with government or postsecondary education officials of this state or other states to provide postsecondary educational services and programs to Alaska residents pursuing a medical education. An agreement with another state must be limited to services and programs that are unavailable in Alaska. (§ 4 ch 78 SLA 1974; am § 2 ch 25 SLA 1976; am § 24 ch 14 SLA 1987; am § 1 ch 15 SLA 1987)

Revisor's notes. — Formerly AS 14.40.909. Renumbered in 1982.

Effect of amendments. — The first 1987 amendment in subsection (b)(3) inserted "and Part B of Title IV (Guaran-

teed Student Loan Program)" and made related stylistic changes.

The second 1987 amendment added subsection (d).

Sec. 14.42.032. Limitation on awarding loans. In administering AS 14.43.090 — 14.43.325, 14.43.325 — 14.43.700, and 14.43.710 — 14.43.790, the commission may not during a fiscal year award loans with a total value that exceeds by more than three percent the total value of loans awarded under those provisions during the previous fiscal year. This limitation may be exceeded only if the commission is specifically authorized to do so by law. (§ 1 ch 92 SLA 1987)

Revisor's notes. — Formerly AS 14.40.920. Renumbered in 1982.

Article 4. Scholarship Loan Program.

Section	Section
90. Scholarship revolving loan fund.	120. Conditions of loans.
95. Financial aid committee.	125. Eligibility of students.
100. Applications.	135. Discrimination prohibited.
105. Administration of program.	140. Indemnability of certain contracts with minors.
110. Undergraduate loans.	100. Definitions.
115. Graduate loans.	

Collateral references. — 15A Am. Jur. 2d College and Universities, § 49-70.
 14 C.J.S. Colleges and Universities § 27-28.

Validity and application of provisions governing determination of residency for purposes of being fee differential for out-

of state students in public college. 56 ALR3d 611.
 Increase in tuition as actionable in suit by student against college or university. 99 ALR2d 895.
 Absence from or inability to attend school or college as affecting liability for or right to recover payments for tuition or board. 20 ALR2d 301.

Sec. 14.43.090. Scholarship revolving loan fund. (a) There is created a scholarship revolving loan fund. The fund shall be used to make scholarship loans to students selected under AS 14.43.090 — 14.43.160, to pay the costs of collecting scholarship loans that are in default if those costs are not recovered from the student, and to pay the costs of administering the fund. Unless the instrument evidencing the scholarship loan has been sold or assigned to the Alaska Student Loan Corporation, repayments of principal and interest on a scholarship loan shall be paid into the scholarship revolving loan fund. If money estimated to be available is inadequate to fully fund estimated scholarship loans for any fiscal year, additional funding from the general fund may be requested and appropriated for that year.

(b) *Repealed, § 31 ch 59 SLA 1982.*

(c) *Repealed, § 31 ch 59 SLA 1982.*

(d) The student financial aid committee created under AS 14.43.095 may sell or assign notes and other instruments evidencing scholarship loans to the Alaska Student Loan Corporation and enter into agreements with the corporation relating to loans, the administration of the student loan fund created under AS 14.42.210, and the payment of and security for bonds of the corporation. Proceeds from the sale or assignment of notes and other instruments shall be deposited in the scholarship revolving loan fund. (5 1 ch 98 SLA 1971; am § 1 ch 156 SLA 1972; am §§ 1, 2 ch 136 SLA 1974; am § 1 ch 136 SLA 1975; am § 31 ch 59 SLA 1982; am § 1 ch 158 SLA 1984; am §§ 3, 4 ch 92 SLA 1987)

Revisor's notes. — Formerly AS 14.40.751. Renumbered in 1982.

Effect of amendments. — The 1984 amendment, in subsection (a), added, and to pay the costs of collecting student loans that are in default if those costs are not recovered from the student, at the end of the first sentence and substituted "loan fund" for "fund" shall be used to make new scholarship loans in the second sentence and money estimated to be available to fund and "for use" in the third sentence. The 1981 amendment in subsection (a)

in the second sentence substituted "scholarship for student" following "collecting" added, and to pay the costs of administering the fund, at the end of the sentence, and made a related stylistic change in the third sentence substituted "Unless the instrument evidencing the scholarship loan has been sold or assigned to the Alaska Student Loan Corporation" for "All and a scholarship loan for loans" and in the last sentence deleted "loan scholarship loan repayments" following "available", and added subsection (d).

Sec. 14.43.095. Financial aid committee. (a) The student financial aid committee is composed of the members of the Alaska Commission on Postsecondary Education. The commission may delegate its functions under AS 14.43.090 — 14.43.160 to a committee of its members, with augmented membership as the commission considers appropriate. The executive officer of the commission is the executive secretary of the committee. The Alaska Commission on Postsecondary Education shall administer the program established by AS 14.43.090 — 14.43.160.

(b) Members of the committee serve without compensation but are entitled to per diem and travel expenses authorized by law for boards and commissions.

(c) The committee shall make an annual report reviewing the work of the committee to the governor and the legislature.

(d) The committee shall meet at least once a year. The meetings shall be held at the call of the chairman or upon petition by two members. (5 1 ch 98 SLA 1971; am § 2 ch 156 SLA 1972; am § 5 ch 78 SLA 1974; am § 3 ch 136 SLA 1974; am § 57 ch 6 SLA 1984)

Revisor's notes. — Formerly AS 14.40.751. Renumbered in 1982.

Effect of amendments. — The 1984 amendment substituted, and the legis-

lature for "the legislature and the private colleges and universities where students receiving tuition grants are enrolled" in subsection (c).

Sec. 14.43.100. Applications. (a) Applications shall be submitted to the executive secretary of the committee.

(b) A person whose loan application is not recommended or presented to the committee by the executive secretary may appeal to the committee through the chairman of the committee and the committee shall consider the application. (5 1 ch 98 SLA 1971; am § 3 ch 156 SLA 1972; am § 4 ch 136 SLA 1974; am § 58 ch 6 SLA 1984)

Revisor's notes. — Formerly AS 14.40.755. Renumbered in 1982.

Effect of amendments. — The 1981

amendment deleted, in part, following "loan" in subsection (b).

Sec. 14.43.105. Administration of programs. The executive secretary shall administer the programs subject to review by the committee and in accordance with the regulations adopted by the committee. The adoption of these regulations is subject to the Administrative Procedure Act (AS 41.62). A summary of the regulations shall be distributed to each applicant. (1) 1 ch 98 SLA 1971, am § 5 ch 136 SLA 1974)

Revisor's notes. - Formerly AS 14.40.75. Renumbered in 1982.

Sec. 14.43.110. Undergraduate loans. The student financial aid committee may make a loan, not to exceed \$5,500 in any one school year, to an undergraduate student eligible under AS 14.43.125. The committee may make a loan for a summer term, even if the total loan for the school year exceeds the \$5,500 maximum, if the loan for the summer term is counted against the \$5,500 maximum for the following school year. (1) 1 ch 98 SLA 1971, am § 6 ch 136 SLA 1974, am § 1 ch 153 SLA 1978, am § 1 ch 89 SLA 1981, am § 1 ch 34 SLA 1985, am § 1 ch 65 SLA 1986)

Revisor's notes. - Formerly AS 14.40.76. Renumbered in 1982. The 1986 amendment inserted "student financial aid" in the first sentence and substituted "\$5,500" for "\$6,000" in three places in the section. Effect of amendments. - The 1985 amendment added the second sentence of the section.

Sec. 14.43.115. Graduate loans. The student financial aid committee may make a loan, not to exceed \$6,500 in any one school year, to a graduate student who is eligible under AS 14.43.125 and is pursuing an advanced degree. The committee may make a loan for a summer term, even if the total loan for the school year exceeds the \$6,500 maximum, if the loan for the summer term is counted against the \$6,500 maximum for the following school year. (1) 1 ch 98 SLA 1971, am § 7 ch 136 SLA 1974, am § 2 ch 89 SLA 1981, am § 2 ch 34 SLA 1985, am § 2 ch 65 SLA 1986)

Revisor's notes. - Formerly AS 14.40.76. Renumbered in 1982. The 1986 amendment inserted "student financial aid" in the first sentence and substituted "\$6,500" for "\$7,000" in three places in the section. Effect of amendments. - The 1985 amendment added the second sentence.

Sec. 14.43.120. Conditions of loans. (a) Proceeds from scholarship loans may only be used for books, tuition and required fees, and for room and board.

(b) Scholarship loans may only be used to attend a

(1) career education program that has been approved by the commission before July 1, 1986, or has been operating for at least two years before the borrower attends; or

(2) a college or university that

(A) has been approved by the commission before July 1, 1986, or has been operating for at least two years before the borrower attends;

(B) is accredited by a national or regional accreditation association recognized by the Council on Postsecondary Accreditation or is approved by the commission; and

(C) if the loans are federally insured, is approved by the United States Secretary of Education.

(c) To maintain a loan the student must continue to be enrolled as a full-time student in good standing in a career education program, college or university designated under (b) of this section. The commission shall adopt regulations defining "good standing" for purposes of this subsection.

(d) Scholarship loans may not be made to a student

(1) for more than five years of undergraduate study;

(2) for more than five years of graduate study;

(3) for more than a total of eight years of undergraduate and graduate study;

(4) to attend an institution, other than a nonprofit institution, if the total amount of scholarship loans made to students to attend that institution exceeds \$100,000 and the default rate on those loans exceeds the program default rate by more than 150 percent as defined by regulation.

(e) Loans are interest bearing while a student is enrolled under (c) of this section or is receiving a deferment of payments under (k) of this section; however, a student is entitled to have a portion of the interest paid in accordance with (l) of this section.

(f) Interest on a loan given under AS 14.43.090 - 14.43.160 is at the rate of eight percent a year unless the loan is in default. Interest on a loan that is in default is 10 percent a year for the period the loan is in default.

(g) Repayment of the principal and interest on the loan begins no later than one year after the borrower's studies are terminated. The loan shall provide for repayment of the total amount owed in periodic installments in not more than 10 years from the commencement of repayment, except as provided in (k) and (m) of this section. If the commission and the borrower agree to a different repayment schedule, the borrower shall repay the loan in accordance with the agreement. A borrower may make payments earlier than required by this subsection.

(h) Security may not be required for a loan; however, provision shall be made for payment of all fees and costs incurred in collection of the amount owed on the loan if it becomes delinquent or in default.

(i) If a loan is in default, the commission shall notify the borrower that repayment of the remaining balance is accelerated and due by sending the borrower a notice by registered or certified mail. The

permanent fund dividend of a borrower may be taken under AS 43.23.065(b)(4) to satisfy the balance due on the defaulted loan.

(j) *Repealed, § 19 ch 92 SLA 1987*

(k) Periodic installments of principal shall be deferred, but interest shall accrue and be paid unless the student is eligible for interest payment benefits under (b) of this section during any of the following:

- (1) return to student status as provided in (e) of this section;
- (2) serving an initial period of up to six years on active duty as a member of the armed forces of the United States;
- (3) serving, for up to three years, as a full-time volunteer under the Peace Corps Act;
- (4) serving, for up to three years, as a full-time volunteer under the Domestic Volunteer Service Act of 1973;

(l) for a one-time period of up to 12 months in which the borrower is seeking and unable to find employment in the United States; or

(m) if the borrower becomes 50 percent or more disabled as certified by competent medical authority.

(n) The state shall pay the interest on that portion of a loan that is not federally insured during:

- (1) the period in which the borrower is a full-time student;
- (2) deferrals under (k) of this section.

(o) In case of hardship, the committee may extend repayment of a loan for an additional period of up to five years in increments no longer than 12 months each.

(p) *Repealed, § 11 ch 89 SLA 1981*

(q) *Repealed, § 19 ch 92 SLA 1987*

(r) For purposes of this section, a person qualifies as a resident if the person is physically present in the state with the intent to remain permanently in the state or, if not physically present in the state, the person intends to return to the state and is absent due to military service.

(s) For the purposes of this section a loan is in default if a loan payment is 120 or more days past due.

(t) The rate of interest, time of payment of an installment of principal or interest, or other terms of a scholarship loan may be modified if required to establish or maintain tax exempt status under 26 U.S.C. 103 (Internal Revenue Code of 1986), as amended, for the interest on bonds issued by the Alaska Student Loan Corporation. (1 ch 98 SLA 1971; am 1 ch 156 SLA 1972; am 6 ch 78 SLA 1974; am 8 ch 136 SLA 1971; am 11 ch 191 SLA 1977; am 11 3 - 8 ch 87 SLA 1979; am 11 3 - 9, 11 ch 89 SLA 1981; am 11 2 - 4 ch 156 SLA 1981; am 11 3 ch 31 SLA 1985; am 11 3, 4 ch 65 SLA 1986; am 11 5 - 9, 19 ch 92 SLA 1987)

Rastler's notes. — Formerly AS 14.43.121 Renumbered in 1992

In 1987, "Secretary" was substituted for "Commissioner" in the 2nd of the sentence in conform to the change in federal law.

Effect of amendments. — The 1984 amendment added subsection (j) and in subsection (k), added the second sentence and added "unless the loan is in default" at the end of the first sentence, and in subsection (l), substituted "that is in default" for "a borrower named in a complaint as a defaulter in an action by the state or by the commissioner to secure payment of the unpaid balance of a loan made under AS 14.43.119 or 14.43.115".

The 1985 amendment inserted "an individual of up to six years" in paragraph (2) of subsection (k).

The 1986 amendment created subsection (h) and in subsection (k) substituted "eight" for "five" in the first sentence.

The 1987 amendment added subsection (d)-(g) in subsection (k) substituted a loan for the loans and "all the former" deleted "of most if either or both are following" and added "if it is named delinquent or in default" added the last sentence of subsection (l), in subsection (l) substituted "shall be" with the introductory language and substituted "in which the borrower is a full-time student" for "before the beginning of the repayment period of the loan" at the end of paragraph (2) added subsection (m) and renumbered subsections (j) and (k).

Legislative history reports. — For a report of legislative intent concerning the loan forgiveness provisions, see AS SLA 1981 (144) SB 121, on 1981 Senate Journal p. 120; 1981 (1981 House Journal p. 274.

Sec. 14.43.125. Eligibility of students. (a) A person may apply for and obtain a scholarship loan if the person:

- (1) is
 - (A) enrolled as a full-time student in a career education, associate, baccalaureate, or graduate degree program; or
 - (B) a graduate of a high school or the equivalent, or scheduled for graduation from a high school within six months, with sufficient credits to be admitted to a career education program or to an accredited college or university;

(2) is not delinquent or in default on a previously awarded scholarship loan; and

(3) is a resident of the state at the time of application for the loan.

For purposes of this section, a person qualifies as a resident of the state if at the time of application for the loan the person:

- (A) has been physically present in the state for at least ten years immediately before the time of application for the loan;
- (B) is dependent on a parent or guardian for care, the parent or guardian has been present in the state for at least ten years immediately before the time of application for the loan and the person has been present in the state for at least one year of the immediately preceding five years except that the commission may by a two-thirds vote, acting upon a written appeal by the person, grant an exemption to the requirement that the person has been present in the state for one year of the immediately preceding five years;
- (C) has been physically present in the state, or is a dependent of a parent or guardian who has been physically present in the state, for at least two years immediately before the applicant was absent from the state and the absence is due solely to

(ii) serving an initial period of up to six years on active duty as a member of the armed forces of the United States,

(iii) serving, for up to three years, as a full time volunteer under the Peace Corps Act,

(iv) serving, for up to three years, as a full time volunteer under the Domestic Volunteer Service Act of 1973,

(v) having required medical care for the applicant or the applicant's immediate family;

(vi) being a person who otherwise qualifies as a resident and is accompanied by a spouse who qualifies as a resident under (i) — (iv) of this paragraph, or

(vii) has been physically present in the state, or is a dependent of a parent or guardian who has been physically present in the state, for at least two years immediately before the applicant or the parent or guardian was absent from the state and the absence is due solely to participating in a foreign exchange student program recognized by the commission,

(viii) attending a school as a full time student,

(ix) full time employment by the state,

(x) being a member of an employer full time by the state's employment delegation;

(xi) being a person who otherwise qualifies as a resident and is accompanying a spouse who qualifies as a resident under (i) — (vii) of this paragraph; and

(14) does not have a past due child support obligation established by court order or by the child support enforcement division under AS 47.23.160 — 47.23.270 at the time of application.

(b) A person does not qualify as a resident of the state under this section if the person declares or establishes residence in another state during an absence from Alaska.

(c) A person may not be awarded a scholarship loan under AS 14.43.190 — 14.43.195 if a family education loan is made on behalf of that person under AS 14.43.710 — 14.43.790 or if that person receives a teacher scholarship loan under AS 14.43.620 — 14.43.700 for the same school year. AS 1 ch 94 SJA 1971; am 1 10 ch 69 SJA 1981; am 1 9 ch 67 SJA 1983; am 1 1 ch 34 SJA 1985; am 1 2 ch 116 SJA 1986; am 1 10 ch 92 SJA 1987.

Revisor's notes. — Formerly AS 14 ch 143, section 143 and made a revised AS 14.43.700. Renumbered in 1987.

Effect of amendments. — The 1981 amendments added subsection 143 and deleted subsection 143.

Revisor's notes. — Section 14.43.67, AS 14.43.67, and following provisions for any and added the language beginning with "and the person has been present" at the end of the paragraph.

The 1985 amendments to make the amendments to subsection 143 and to delete subsection 143.

steps required to impose the same Alaska and the United States Education Commission membership requirements shall be made in membership laws 1971-1972.

See 11 01 1971 Schoolchildren (High School) (1971-1972) (1971)

Sec. 14.43.135. Discrimination prohibited. The student loan program shall be carried out without regard to the race, creed, sex, color, ancestry, national origin, or membership in fraternal or political organizations of the student applying for the loan. AS 1 ch 94 SJA 1971.

Revisor's notes. — Formerly AS 14.43.135. Renumbered in 1987.

Consolidation. — See AS 14.43.135 and AS 14.43.136.

Sec. 14.43.140. Enforceability of certain contracts with minors. A written obligation entered into by a minor at least 16 years of age, evidencing a loan or other assistance received by the minor from any person for the purpose of furthering the minor's education in a career education program or an institution of higher learning is enforceable against the minor with the same effect as if the minor were, at the time of its execution, 19 years of age, if the person making the loan has before making the loan a verification from the institution that the minor is enrolled in the institution or has been accepted for enrollment. AS 1 ch 94 SJA 1971.

Revisor's notes. — Formerly AS 14.43.140. Renumbered in 1987.

Sec. 14.43.160. Definitions. In AS 14.43.090 — 14.43.160:

(1) "career education" means a course or program in vocational, technical training or education approved by the commission;

(2) "commission" means the Alaska Commission on Postsecondary Education;

(3) "federally insured" means a loan covered by the provisions of the Guaranteed Student Loan Program of Title IV, Part B of the Higher Education Act of 1965 (P.L. 89-329), as amended;

(4) "full-time student" means an undergraduate or career education student who is enrolled and is in regular attendance at classes for at least 12 semester hours of credit or the equivalent during the semester or a graduate student who is enrolled and is in regular attendance at classes for at least nine semester hours of credit or the equivalent, or any combination of semester hours of credit or the equivalent, aggregating a semester at two or more public or private institutions of higher education constituting full-time student status;

(5) "school year" means the period from September 1 of one year through August 31 of the following year.

Sec. 14.42.100. Creation of Alaska Student Loan Corporation. There is created the Alaska Student Loan Corporation. The corporation is a public corporation and government instrumentality within the Department of Education but having a legal existence independent of and separate from the state. The corporation may not be terminated as long as it has bonds, notes, or other obligations outstanding. Upon termination of the corporation, its rights and property pass to the state. (S 2 ch 92 SFA 1987)

Sec. 14.42.110. Purpose of corporation. The purpose of the corporation is to improve higher educational opportunities for residents of the state in accordance with this chapter. (S 2 ch 92 SFA 1987)

Sec. 14.42.120. Corporation governing body. (a) The corporation shall be governed by a board of directors appointed by the governor consisting of two members of the Alaska Commission on Postsecondary Education, each of whom is selected for the commission under AS 14.42.015(a)(1) — (2), (4) — (6), (8), or (9) and the commissioner of revenue, the commissioner of administration, and the commissioner of commerce and economic development. Members of the board serve without compensation but the members who are also members of the Alaska Commission on Postsecondary Education are entitled to per diem and travel expenses authorized by law for boards and commissions under AS 39.20.180.

(b) The board shall elect a chairman from among its membership at its annual meeting each year. A majority of the members constitute a quorum for organizing the board, conducting its business, and exercising the powers of the corporation. (S 2 ch 92 SFA 1987)

Sec. 14.42.130. Meetings of the board. (a) The board shall meet at the call of its chairman and at other times as the board may determine in accordance with its regulations.

(b) Public notice of a meeting of the board at which the issuance of corporation bonds is authorized shall be provided at least 24 hours before the meeting. (S 2 ch 92 SFA 1987)

Sec. 14.42.140. Minutes of meetings. The board shall keep minutes of each meeting and send a certified copy to the governor and to the Legislative Budget and Audit Committee. (S 2 ch 92 SFA 1987)

Sec. 14.42.150. Administration of affairs. The board shall manage the assets and business of the corporation and may adopt bylaws and regulations, in accordance with the Administrative Procedure Act (AS 44.62), governing the manner in which the business of the corporation is conducted and the manner in which its powers are exercised. The board shall delegate supervision of the administration of the cor-

poration to the executive officer of the corporation. (S 2 ch 92 SFA 1987)

Sec. 14.42.160. Executive officer. The executive officer of the Commission on Postsecondary Education appointed under AS 14.42.010(a) shall serve as executive officer of the corporation. The board shall prescribe the duties of the executive officer. (S 2 ch 92 SFA 1987)

Sec. 14.42.170. Staff. The employees of the Alaska Commission on Postsecondary Education shall serve as staff for the corporation. (S 2 ch 92 SFA 1987)

Sec. 14.42.180. Budget. The operating budget of the corporation is subject to AS 37.07 (Executive Budget Act). (S 2 ch 92 SFA 1987)

Sec. 14.42.200. General powers. In addition to other powers granted in this chapter, the corporation may

(1) sue and be sued in its own name;

(2) adopt an official seal;

(3) adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out the purposes of this chapter;

(4) make and execute agreements, contracts, and other instruments necessary or convenient in the exercise of the powers and functions of the corporation, including contracts with a person or governmental entity;

(5) receive, administer, and comply with the conditions and requirements respecting any appropriation, gift, grant, or donation of property or money;

(6) borrow money as provided in this chapter to carry out its corporate purposes and issue its obligations as evidence of the borrowing;

(7) include in a borrowing the amounts to pay financing charges, interest on the obligations for a period not exceeding one year after the date on which the corporation estimates funds will otherwise be available to pay the interest, consultant, advisory and legal fees and other expenses necessary or incident to the borrowing;

(8) invest or reinvest, subject to its contracts with noteholders and bondholders, money held by the corporation in obligations or other securities authorized for investments of the commissioner of revenue under AS 37.10.070(a);

(9) collect from a borrower amounts owed with respect to a debt if the corporation has purchased;

(10) gather information on student loans available to residents of Alaska and disseminate the information to reasonably assure that qualified residents are aware of financial resources available to those attending or desiring to attend institutions for which loans may be

made under AS 14.43.090 — 14.43.325, 14.43.600 — 14.43.700, or 14.43.710 — 14.43.790,

- (11) service student loans held by the corporation;
- (12) purchase or participate in the purchase of student loans;
- (13) contract in advance for the purchase or sale of student loans;
- (14) sell or participate in the sale, either public or private and on terms authorized by the board, of student loans to the Student Loan Marketing Association or to other purchasers;
- (15) collect and pay reasonable fees and charges in connection with the purchase, sale, and servicing of student loans;
- (16) enter into agreements with the federal government, including guaranty agreements and supplemental guaranty agreements as described in the United States Higher Education Act of 1965, as necessary to provide for the receipt by the corporation of administrative allowances and other benefits available under the United States Higher Education Act of 1965;
- (17) administer federal money allotted to the state involving insured student loans and related administrative costs and other matters;
- (18) enter into agreements with the Alaska Commission on Postsecondary Education relating to student loans, the administration of the student loan fund created under AS 14.42.210, and the payment of and security for bonds of the corporation;
- (19) to the extent permitted under contracts with bond holders, consent to the modification of the rate of interest, time of payment of an installment of principal or interest, or other terms of a student loan purchased by the corporation;
- (20) procure insurance against any loss in connection with the operation of its programs;
- (21) provide advisory services to borrowers and other participants in the corporation's programs;
- (22) enter into credit facility agreements and make pledges, covenants, and agreements with respect to the repayment of borrowings under the credit facility agreements;
- (23) do all acts necessary, convenient, or desirable to carry out the powers expressly granted or necessarily implied in AS 14.42.100 — 14.42.390. (S 2 ch 92 SLA 1987)

Sec. 14.42.210. Student loan fund. (a) The student loan fund is established in the corporation. The student loan fund is a trust fund to be used to carry out the purposes of AS 14.42.100 — 14.42.390, AS 14.43.090 — 14.43.325, 14.43.600 — 14.43.700, and 14.43.710 — 14.43.790. The fund consists of money or assets appropriated or transferred to the corporation for the fund and money or assets deposited in it by the corporation. The corporation may establish separate accounts in the fund.

(b) Money and other assets of the student loan fund may be used to secure bonds of the corporation, invested in student loans and investments described in AS 37.10.070(a) and used to purchase loans approved under AS 14.43.090 — 14.43.325, 14.43.600 — 14.43.700, or 14.43.710 — 14.43.790.

(c) The student loan fund shall be administered by the Alaska Commission on Postsecondary Education. The corporation and the commission may enter into agreements relating to the administration of the fund. The corporation may assign its rights under the agreements for the benefit and security of holders of its bonds. (S 2 ch 92 SLA 1987)

Sec. 14.42.220. Bonds of the corporation. (a) Subject to (b) of this section, the corporation may borrow money and may issue bonds, on which the principal and interest are payable from its income and receipts or other assets or a designated part or parts of them.

(b) Bonds may be authorized only by resolution of the board. Bonds shall be dated, bear interest at the rate or rates, be in the denominations, be in the form, either coupon or registered, carry the registration privileges, be executed in the manner, be payable in the medium of payment, at the place or places, be subject to the terms of redemption, and mature as provided by the resolution or a subsequent resolution. However, a bond may not mature more than 30 years after the date it is issued.

(c) Bonds of the corporation, regardless of form or character, are negotiable instruments for all the purposes of the Uniform Commercial Code (AS 45.01 — AS 45.09).

(d) Bonds of the corporation may be sold at public or private sale in the manner, for the price or prices, and at the time or times that the board determines.

(e) The superior court has jurisdiction to hear and determine proceedings relating to the corporation, including proceedings brought by or for the benefit of a bondholder or by a trustee for or other representative of a bondholder.

(f) The corporation may not issue bonds, other than refunding bonds, during any two consecutive fiscal years in an aggregate amount greater than \$125,000,000 unless the legislature, by law, approves issuance of a greater amount. (S 2 ch 92 SLA 1987)

Sec. 14.42.230. Trust indentures and trust agreements. An issue of bonds by the corporation may be secured by a trust indenture or trust agreement between the corporation and a corporate trustee, which may be a trust company, bank, or national banking association, with corporate trust powers, located inside or outside the state, or by a secured loan agreement or other instrument or under a resolution giving powers to a corporate trustee by means of which the corporation may:

(1) enter into agreements with the trustee or the bondholders that the board determines to be necessary or desirable, including covenants, provisions, limitations, and other agreements as to the

(A) application, investment, deposit, use, and disposition of the proceeds of bonds of the corporation or of money or other property of the corporation or in which it has an interest;

(B) fixing and collecting loan payments and other consideration for a student loan;

(C) assignment by the corporation of its rights in a student loan or in a mortgage or other security interest created with respect to a student loan to a trustee for the benefit of bondholders;

(D) terms and conditions upon which additional bonds of the corporation may be issued;

(E) vesting in a trustee of rights, powers, duties, funds, or property in trust for the benefit of bondholders, including the right to enforce payment, performance, and other rights of the corporation or of the bondholders, under a student loan or a security interest created with respect to a student loan;

(2) pledge, mortgage or assign money, agreements, property, or other assets of the corporation either presently in hand or to be received in the future, or both; and

(3) provide for other matters that in any way affect the security or protection of the bonds. (2 ch 92 SLA 1987)

Sec. 14.42.240. Reserves and capital reserves. (a) For the purpose of securing one or more issues of bonds of the corporation, the board may establish one or more special funds, called "capital reserve funds," and may pay into those capital reserve funds the proceeds of the sale of bonds and other money available to the corporation from other sources for the purposes of the capital reserve funds. A capital reserve fund may be established only if the board determines that the establishment of the fund would enhance the marketability of the bonds. Money in a capital reserve fund, except as provided in this section, may be used as required only for the (1) payment of the principal of, and interest on, bonds or of the sinking fund payments with respect to those bonds; (2) purchase or redemption of the bonds; or (3) payment of a redemption premium required to be paid when the bonds are redeemed before maturity. However, money in a capital reserve fund may not be withdrawn if the withdrawal would reduce the amount in the capital reserve fund to less than the capital reserve fund requirement, except for the purpose of making payment, when due, of principal, interest, or redemption premiums on the bonds when other money of the corporation is not available for the payments. Income or interest earned by, or investment to, a capital reserve fund, from the investment of all or part of the fund, may be transferred by the corporation to other funds or accounts of the corporation if the

transfer does not reduce the amount of the capital reserve fund below the capital reserve fund requirement.

(b) If the board decides to issue bonds secured by a capital reserve fund, the bonds may not be issued if the amount in the capital reserve fund is less than the capital reserve fund requirement, unless the corporation, at the time of issuance of the bonds, pledges to deposit in the capital reserve fund from the proceeds of the bonds to be issued or from other sources, an amount that, together with the amount then in the fund, is not less than the capital reserve fund requirement.

(c) In computing the amount of a capital reserve fund for the purpose of this section, securities in which all or a portion of the fund is invested and credit facilities deposited in or credited to a capital reserve fund under (b) of this section shall be valued by a reasonable method established by the board by resolution. Valuation shall include the amount of interest earned or accrued as of the date of valuation.

(d) By January 15 of each year, the chairman of the board shall certify in writing to the governor and the legislature the amount, if any, required to restore a capital reserve fund to the capital reserve fund requirement. The legislature may appropriate to the corporation the amount certified by the chairman. The corporation shall deposit the amounts appropriated under this subsection during a fiscal year in the proper capital reserve fund. This subsection does not create a debt or liability of the state.

(e) The board may establish reserve funds, other than capital reserve funds, to secure one or more issues of bonds of the corporation. The corporation may deposit in a reserve fund established under this subsection the proceeds of sale of its bonds and other money available from any other source. The corporation may allow a reserve fund established under this subsection to be depleted without complying with (d) of this section.

(f) The corporation may hold in a capital reserve fund, in lieu of money and in satisfaction of all or part of a capital reserve fund requirement, irrevocable letters of credit issued by a commercial bank, surety bonds, insurance policies, and similar credit facilities.

(g) In this section, "capital reserve fund requirement" means the amount required to be on deposit in the capital reserve fund as of the date of computation as determined by resolution of the board. (2 ch 92 SLA 1987)

Sec. 14.42.250. Validity of pledge. It is the intention of the legislature that a pledge made in respect to bonds of the corporation shall be valid and binding from the time the pledge is made, that the money or property so pledged and thereafter received by the corporation shall immediately be subject to the lien of the pledge without physical delivery or further act; and that the lien of the pledge shall be valid and

binding as against all parties having claims of any kind in tort, contract, or otherwise against the corporation irrespective of whether the parties have notice. Neither the resolution, trust agreement, nor other instrument by which a pledge is created need be recorded or filed under the provisions of the Uniform Commercial Code (AS 45.01 — AS 45.09) to be valid, binding, or effective. (S 2 ch 92 SLA 1987)

Sec. 11.42.260. Nonliability on bonds. (a) The members of the board and individuals executing the bonds of the corporation are not liable personally on the bonds or subject to personal liability or accountability by reason of the issuance of the bonds.

(b) The bonds issued by the corporation do not constitute an indebtedness or other liability of the state or of a political subdivision of the state, except the corporation, but shall be payable solely from the income and receipts or other funds or property of the corporation. The corporation may not pledge the faith or credit of the state, or of a political subdivision of the state, except the corporation, to the payment of a bond. Issuance of a bond by the corporation does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply money from, or levy or pledge any form of taxation whatever to the payment of the bond. (S 2 ch 92 SLA 1987)

Sec. 11.42.265. Underwriters. The board may select one or more underwriters for its bonds in accordance with procedures:

- (1) for the award of a contract under AS 36.30.200 — 36.30.260, or
- (2) adopted by regulations of the board that are based on the competitive principles of AS 36.30.200 — 36.30.260 and are adapted to the special needs of the corporation in the selling of its bonds as determined by the board. (S 2 ch 92 SLA 1987)

Sec. 11.42.270. Pledge and agreement of state. The state pledges to and agrees with holders of bonds issued by the corporation that the state will not limit or alter the rights and powers vested in the corporation under AS 14.42.100 — 14.42.390 to fulfill the terms of a contract made by the corporation with the bondholders or in any way impair the rights and remedies of the bondholders until the bonds, together with the interest on them with interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the bondholders, are fully met and discharged. The corporation may include this pledge and agreement of the state in a contract with bondholders. (S 2 ch 92 SLA 1987)

Sec. 11.42.280. Exemption from taxation. The real and personal property of the corporation and its assets, income, and receipts are declared to be the property of a political subdivision of the state and devoted to an essential public and governmental function and purpose, and the property, assets, income, receipts, and other interests of the corporation are exempt from all taxes and special assessments of the state or a political subdivision of the state, including municipalities, school districts, public utility districts, and other governmental units. Bonds of the corporation are declared to be issued by a political subdivision of the state and for an essential public and governmental purpose, and the bonds, interest on them, income from them, and transfer of them, and all assets, income, and receipts pledged to pay or secure the payment of the bonds, or interest on them, are exempt from taxation by or under the authority of the state, except for inheritance and estate taxes and taxes on transfers by or in contemplation of death. (S 2 ch 92 SLA 1987)

Sec. 11.42.290. Bonds legal investments for fiduciaries. The bonds of the corporation are securities in which public officers and bodies of the state, municipalities, insurance companies, insurance associations, other persons carrying on an insurance business, banks, bankers, trust companies, savings banks, savings associations, building and loan associations, investment companies, other persons carrying on a banking business, administrators, guardians, executors, trustees, other fiduciaries, and other persons who are authorized to invest in bonds or other obligations of the state, may properly and legally invest funds including capital in their control or belonging to them. Notwithstanding any other provisions of law, the bonds of the corporation are also securities that may be deposited with and may be received by public officers and bodies of the state and municipalities for any purpose for which the deposit of bonds or other obligations of the state is not or may be authorized. (S 2 ch 92 SLA 1987)

Sec. 11.42.300. Operation of certain statutes excepted. (a) The corporation is not a municipality as the term is defined in AS 01.10.060. Except as provided in AS 11.42.190, the corporation is not subject to AS 37. For all other purposes the corporation is a political subdivision and an instrumentality of the state.

(b) The funds, income, and receipts of the corporation are not moneys of the state, nor may real property in which the corporation has an interest be considered land owned in fee by the state or to which the state may become entitled or in any way land belonging to the state, or state land referred to in art. VIII of the Alaska Constitution. (S 2 ch 92 SLA 1987)

Sec. 11.42.310. Annual audit. The financial records of the corporation shall be audited annually by the legislative auditor or by a certified public accountant approved by the legislative auditor. The legislative auditor may prescribe the form and content of the financial records of the corporation and shall have access to these records at any time. (S 2 ch 92 SLA 1967)

Sec. 11.42.390. Definitions. In AS 11.42.100 — 11.42.390,

(1) "board" means the board of directors of the corporation;

(2) "corporation" means the Alaska Student Loan Corporation. (S 2 ch 92 SLA 1967)

Revisor's notes — Enacted as AS 11.42.390. Recombined in 1967

Chapter 43. Scholarship, Loan, and Grant Programs for Postsecondary Students.

Article

1. University of Alaska Scholarships for High School Graduates (S 11.43.010 — 11.43.030)
2. University of Alaska Scholarships for Natives (S 11.43.050 — 11.43.075)
3. Fee, Tuition and Fees for Dependents (S 11.43.080)
4. Scholarship Loan Program (S 11.43.090 — 11.43.100)
5. Memorial Scholarship Reading Loan Fund (S 11.43.150 — 11.43.165)
6. Educational Incentive Grant Program (S 11.43.190 — 11.43.200)
7. Teacher Scholarship Loan Program (S 11.43.200 — 11.43.205)
8. Alaska Family Education Loan Program (S 11.43.210 — 11.43.230)
9. General Provisions (S 11.43.310)

Article 1. University of Alaska Scholarships for High School Graduates.

Section

10. Students entitled to scholarships
15. Alternate upon refusal or failure to accept

Section

20. Applications for and issuance and content of certificates
25. Forfeiture of scholarship benefits
30. Payment of scholarships

Collateral references. 15A Am. Jur. 2d College and Universities (S 19-21); 14 C.J.S. College and Universities (S 27, 28)

Sec. 11.43.010. Students entitled to scholarships. The high school student in each graduating class in each high school in the state who, upon the completion of four years of high school work in a high school in the state, obtains the highest average standing for all the credits earned, and who is graduated at an annual commencement is entitled to receive, during dormitory residence at the University of

Alaska a scholarship covering dormitory rent for a period of two years following the year of graduation upon presenting to the registrar of the university a certificate signed by the superintendent or principal of the high school from which the student graduated stating that the graduate named is entitled to receive the benefit of the scholarship. Dormitory residence is purchased by the rules and regulations established by the Board of Regents. (S 37 10 11 ACLA 1949)

Revisor's notes — Enacted as AS 11.44.010. Recombined in 1962

Sec. 11.44.015. Alternate upon refusal or failure to accept. If a person entitled to receive the benefit of AS 11.44.010 declines or fails to accept it, the graduate next in line in class standing is entitled to receive the benefit. (S 37 10 12 ACLA 1949)

Revisor's notes — Enacted as AS 11.44.015. Recombined in 1962

Sec. 11.44.020. Applications for and issuance and report of certificates. A certificate shall be applied for and issued to a graduate before August 2 of each year and shall be reported immediately to the registrar of the University of Alaska by the superintendent or principal issuing it. (S 37 10 13 ACLA 1949)

Revisor's notes — Enacted as AS 11.44.020. Recombined in 1962

Sec. 11.44.025. Forfeiture of scholarship benefits. Failure to do passing work in more than one subject during a semester, or withdrawal or expulsion from the University of Alaska, constitutes a forfeiture during the following semester or semesters of the benefits of AS 11.44.010 and 11.44.015. (S 37 10 14 ACLA 1949)

Revisor's notes — Enacted as AS 11.44.025. Recombined in 1962

Sec. 11.44.030. Payment of scholarships. Payment of the scholarships shall be made monthly to the University of Alaska upon vouchers drawn upon the Department of Administration and duly certified by the treasurer and the president of the Board of Regents. Payments may not be made in excess of amounts specifically appropriated for this purpose. (S 37 10 15 ACLA 1949, am 3 23 ch 125 SLA 1974)

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Mary Van Nimwegen

H. HESS 3-25-89

6-0592E
Chenoweth
4/3/89

Original sponsors: Boyer and Koponen

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 208 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to loans for half-time students,
7 deferral of loan repayment, and to the Alaska Post-
8 secondary Education Commission; repealing the student
9 financial aid committee; and providing for an effec-
10 tive date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. AS 14.42.030(b) is amended to read:

13 (b) The commission shall

14 (1) develop a comprehensive statewide plan for coordinated
15 postsecondary education in the state and serve as the state commission
16 on postsecondary education required under sec. 1202 of Title XII of
17 the Higher Education Act of 1965, as amended by the Education Amend-
18 ments of 1972 (P.L. 92-318, sec. 196; 86 Stat. 324);

19 (2) establish a state advisory council on community col-
20 leges and develop a comprehensive statewide plan for the expansion and
21 improvement of the community colleges under sec. 1001 of Title X of
22 the Higher Education Act of 1965, as amended by the Education Amend-
23 ments of 1972 (P.L. 92-318, sec. 186; 86 Stat. 312, 313);

24 (3) serve as the state agency required under sec. 105 of
25 Title I (Community Service and Continuing Education), 603 of Title VI
26 (Financial Assistance for Undergraduate Education), 704 of Title VII
27 (Construction of Academic Facilities), and Part B of Title IV (Guan-
28 teed Student Loan Program) of the Higher Education Act of 1965 (P.L.
29 89-329; 79 Stat. 1220, 1262; 20 U.S.C. 1005, 1123) as authorized by

1 sec. 1202(c) of Title XII of the Higher Education Act of 1965, as
2 amended by the Education Amendments of 1972 (P.L. 92-318, sec. 196; 86
3 Stat. 324);

4 (4) administer the provisions of AS 14.43.090 - 14.43.160
5 (student loan program) [, AND SERVE AS THE STUDENT FINANCIAL AID
6 COMMITTEE];

7 (5) administer the provisions of AS 14.48 (regulation of
8 postsecondary educational institutions);

9 (6) resolve any disputes that exist or arise under a con-
10 sortium or other cooperative agreement between institutions of public
11 and private higher education in the state.

12 * Sec. 2. AS 14.42.040(a) is amended to read:

13 (a) The commission may appoint an executive director as the
14 commission's executive officer. The executive officer is a member of
15 the exempt service under AS 39.25.110, serves at the pleasure of the
16 commission, and receives compensation fixed by the commission. The
17 executive officer appoints persons to the staff positions authorized
18 by the commission, and staff compensation is fixed by the commission.
19 [THE EXECUTIVE OFFICER IS THE EXECUTIVE SECRETARY OF THE STUDENT
20 FINANCIAL AID COMMITTEE.] Each employee of the commission shall elect
21 membership either in the state teachers' retirement system (AS 14.25),
22 if qualified, or in the public employees' retirement system
23 (AS 39.35).

24 * Sec. 3. AS 14.43.090(d) is amended to read:

25 (d) The commission [STUDENT FINANCIAL AID COMMITTEE CREATED
26 UNDER AS 14.43.095] may sell or assign notes and other instruments
27 evidencing scholarship loans to the Alaska Student Loan Corporation
28 and enter into agreements with the corporation relating to loans, the
29 administration of the student loan fund created under AS 14.42.210,

1 and the payment of and security for bonds of the corporation. Pro-
2 ceeds from the sale or assignment of notes and other instruments shall
3 be deposited in the scholarship revolving loan fund.

4 * Sec. 4. AS 14.43.100(a) is amended to read:

5 (a) Applications shall be submitted to the executive director
6 [SECRETARY] of the commission [COMMITTEE].

7 * Sec. 5. AS 14.43.100(b) is amended to read:

8 (b) A person whose loan application is not approved [RECOMMENDED
9 OR PRESENTED TO THE COMMITTEE] by the executive director of the com-
10 mission [SECRETARY] may appeal to the commission [COMMITTEE THROUGH
11 THE CHAIRMAN OF THE COMMITTEE] and the commission [COMMITTEE] shall
12 consider the application.

13 * Sec. 6. AS 14.43.105 is amended to read:

14 Sec. 14.43.105. ADMINISTRATION OF PROGRAM. The executive direc-
15 tor [SECRETARY] shall administer the programs subject to review by the
16 commission [COMMITTEE] and in accordance with the regulations adopted
17 by the commission [COMMITTEE]. The adoption of these regulations is
18 subject to the Administrative Procedure Act (AS 44.62). A summary of
19 the regulations shall be distributed to each applicant.

20 * Sec. 7. AS 14.43.110 is amended to read:

21 Sec. 14.43.110. UNDERGRADUATE LOANS. The commission [STUDENT
22 FINANCIAL AID COMMITTEE] may make a loan, not to exceed \$5,500 in a
23 [ANY ONE] school year [,] to a full-time [AN] undergraduate student,
24 and not to exceed \$2,750 in a school year to a half-time undergraduate
25 student, eligible under AS 14.43.125. The commission [COMMITTEE] may
26 make a loan for a summer term, even if the total loan for the school
27 year exceeds the \$5,500 or \$2,750 maximum, if the loan for the summer
28 term is counted against the \$5,500 or \$2,750 maximum for the following
29 school year.

1 * Sec. 8. AS 14.43.115 is amended to read:

2 Sec. 14.43.115. GRADUATE LOANS. The commission [STUDENT FINAN-
3 CIAL AID COMMITTEE] may make a loan, not to exceed \$6,500 in a [ANY
4 ONE] school year [,] to a full-time graduate student, and not to
5 exceed \$3,250 in a school year to a half-time graduate student, who is
6 eligible under AS 14.43.125 and is pursuing an advanced degree. The
7 commission [COMMITTEE] may make a loan for a summer term, even if the
8 total loan for the school year exceeds the \$6,500 or \$3,250 maximum,
9 if the loan for the summer term is counted against the \$6,500 or
10 \$3,250 maximum for the following school year.

11 * Sec. 9. AS 14.43.120(c) is amended to read:

12 (c) To maintain a loan awarded to a full-time student the stu-
13 dent must continue to be enrolled as a full-time student in good
14 standing in a career education program, college, or university that
15 meets the requirements [DESIGNATED] under (b) of this section. To
16 maintain a loan awarded to a half-time student, the student must con-
17 tinue to be enrolled as a half-time student in good standing in a
18 career education program, college, or university in the state that
19 meets the requirements under (b) of this section. The commission
20 shall adopt regulations defining "good standing" for purposes of this
21 subsection.

22 * Sec. 10. AS 14.43.120(g) is amended to read:

23 (g) Repayment of the principal and interest on the loan begins
24 not [NO] later than one year after the borrower's studies are termi-
25 nated. The loan shall provide for repayment of the total amount owed
26 in periodic installments in not more than 10 years from the commence-
27 ment of repayment if the loan is to a full-time student, or in not
28 more than five years from the commencement of repayment if the loan is
29 to a half-time student, except as provided in (k) and (m) of this

1 section. If the commission and the borrower agree to a different
2 repayment schedule, the borrower shall repay the loan in accordance
3 with the agreement. A borrower may make payments earlier than re-
4 quired by this subsection.

5 * Sec. 11. AS 14.43.120(k) is amended to read:

6 (k) Periodic installments of principal shall be deferred, but
7 interest shall accrue and be paid unless the borrower [STUDENT] is
8 eligible for interest payment benefits under (l) of this section,
9 during any of the following periods:

10 (1) return to full-time student status in good standing in
11 a career education program, college, or university that meets the
12 requirements under (b) of this section [AS PROVIDED IN (c) OF THIS
13 SECTION];

14 (2) return to half-time student status in good standing in
15 a career education program, college, or university in the state that
16 meets the requirements under (b) of this section; a borrower is not
17 eligible for deferral under this paragraph for a period longer than
18 eight years;

19 (3) -serving an initial period of up to six years on active
20 duty as a member of the armed forces of the United States;

21 (4) [(3)] -serving, for up to three years, as a full-time
22 volunteer under the Peace Corps Act;

23 (5) [(4)] -serving, for up to three years, as a full-time
24 volunteer under the Domestic Volunteer Service Act of 1973;

25 (6) [(5)] for a one-time period up to 12 months in which
26 the borrower is seeking and unable to find employment in the United
27 States; or

28 (7) during the period of disability [(6)] if the borrower
29 becomes 50 percent or more disabled as certified by competent medical

1 authority.

2 * Sec. 12. AS 14.43.120(m) is amended to read:

3 (m) In case of hardship, the commission [COMMITTEE] may extend
4 repayment of a loan for an additional period of up to five years in
5 increments no longer than 12 months each.

6 * Sec. 13. AS 14.43.125(a) is amended to read:

7 (a) A person may apply for and obtain a scholarship loan if the
8 person

9 (1) is

10 (A) enrolled as a full-time student in a career educa-
11 tion, associate, baccalaureate, or graduate degree program; [OR]

12 (B) enrolled as a half-time student in a career educa-
13 tion, associate, baccalaureate, or graduate degree program in the
14 state; or

15 (C) a graduate of a high school or the equivalent, or
16 scheduled for graduation from a high school within six months,
17 with sufficient credits to be admitted to a career education
18 program or to an accredited college or university;

19 (2) is not delinquent or in default on a previously awarded
20 scholarship loan; and

21 (3) is a resident of the state at the time of application
22 for the loan; for purposes of this section, a person qualifies as a
23 resident of the state if at the time of application for the loan the
24 person

25 (A) has been physically present in the state for at
26 least two years immediately before the time of application for
27 the loan;

28 (B) is dependent on a parent or guardian for care, the
29 parent or guardian has been present in the state for at least two

1 years immediately before the time of application for the loan and
2 the person has been present in the state for at least one year of
3 the immediately preceding five years except that the commission
4 may by a two-thirds vote, acting upon a written appeal by the
5 person, grant an exemption to the requirement that the person has
6 been present in the state for one year of the immediately preced-
7 ing five years;

8 (C) has been physically present in the state, or is a
9 dependent of a parent or guardian who has been physically present
10 in the state, for at least two years immediately before the
11 applicant was absent from the state and the absence is due solely
12 to

13 (i) serving an initial period of up to six years
14 on active duty as a member of the armed forces of the United
15 States;

16 (ii) serving [,] for up to three years as a full-
17 time volunteer under the Peace Corps Act;

18 (iii) serving [,] for up to three years as a full-
19 time volunteer under the Domestic Volunteer Service Act of
20 1973;

21 (iv) required medical care for the applicant or
22 the applicant's immediate family;

23 (v) being a person who otherwise qualifies as a
24 resident and is accompanying a spouse who qualifies as a
25 resident under (i) - (iv) of this paragraph; or

26 (D) has been physically present in the state, or is a
27 dependent of a parent or guardian who has been physically present
28 in the state, for at least two years immediately before the
29 applicant or the parent or guardian was absent from the state and

1 the absence is due solely to

2 (i) participating in a foreign exchange student
3 program recognized by the commission;

4 (ii) attending a school as a full-time student;

5 (iii) full-time employment by the state;

6 (iv) being a member of or employed full-time by
7 the state's congressional delegation;

8 (v) being a person who otherwise qualifies as a
9 resident and is accompanying a spouse who qualifies as a
10 resident under (i) - (iv) of this paragraph; and

11 (4) does not have a past due child support obligation
12 established by court order or by the child support enforcement divi-
13 sion under AS 47.23.160 - 47.23.220 at the time of application.

14 * Sec. 14. AS 14.43.160 is amended by adding a new paragraph to read:

15 (7) "half-time student" means an undergraduate, graduate,
16 or career education student who during the semester is enrolled and is
17 in regular attendance at classes at one or more public or private
18 institutions of higher education for at least a total of six semester
19 credit hours or an equivalent of six semester credit hours, and in-
20 cludes a career education student enrolled and in regular attendance
21 in classes for at least 15 hours a week.

22 * Sec. 15. AS 14.43.255(c) is amended to read:

23 (c) The commission (STUDENT FINANCIAL AID COMMITTEE CREATED
24 UNDER AS 14.43.095) may sell or assign notes and other instruments
25 evidencing memorial scholarship loans to the Alaska Student Loan
26 Corporation and enter into agreements with the corporation relating to
27 loans, the administration of the student loan fund created under
28 AS 14.42.210, and the payment of and security for bonds of the corpo-
29 ration. Proceeds from the sale or assignment of a note or other

1 instrument shall be deposited in the appropriate memorial scholarship
2 loan fund account.

3 * Sec. 16. AS 14.43.320(a) is amended to read:

4 (a) The memorial scholarship loans provided for under AS 14.43.-
5 250 - 14.43.325 shall be administered by the executive director (SEC-
6 RETARY) of the commission (STUDENT FINANCIAL AID COMMITTEE UNDER
7 AS 14.43.095 AND 14.43.105), subject to review by the commission
8 [COMMITTEE] and to those regulations the commission [COMMITTEE] may
9 prescribe to carry out the purposes of AS 14.43.250 - 14.43.325.

10 * Sec. 17. AS 14.43.405(a) is amended to read:

11 (a) The educational incentive grant program established under
12 AS 14.43.400 - 14.43.500 shall be administered by the executive direc-
13 tor of the commission [SECRETARY OF THE STUDENT FINANCIAL AID COMMIT-
14 TEE UNDER AS 14.43.095 - 14.43.105], subject to review by the commis-
15 sion [COMMITTEE] and to those regulations the commission [COMMITTEE]
16 may adopt to carry out the purposes of AS 14.43.400 - 14.43.500.

17 * Sec. 18. AS 14.43.415(a) is amended to read:

18 (a) A student may apply for an educational incentive grant if
19 the student

20 (1) is a resident of Alaska;

21 (2) is either

22 (A) enrolled as a full-time undergraduate student in a
23 degree program in an accredited postsecondary educational insti-
24 tution; or

25 (B) eligible to be admitted to an accredited postsec-
26 ondary educational institution; and

27 (3) establishes financial need in accordance with standards
28 for determining financial need adopted by the commission [COMMITTEE]
29 under 20 U.S.C. 1070c-2.

1 * Sec. 19. AS 14.43.415(b) is amended to read:

2 (b) The commission [STUDENT FINANCIAL AID COMMITTEE] shall, by
3 regulation, establish a system of priority in the selection of recipi-
4 ents of grants under AS 14.43.400 - 14.43.500 under which students
5 from "low income" families or whose incomes are considered "low in-
6 come" shall be given preference in the award of the educational incen-
7 tive grants.

8 * Sec. 20. AS 14.43.620(b) is amended to read:

9 (b) The commission [STUDENT FINANCIAL AID COMMITTEE CREATED
10 UNDER AS 14.43.095] may sell or assign notes and other instruments
11 evidencing teacher scholarship loans to the Alaska Student Loan Corpo-
12 ration and enter into agreements with the corporation relating to
13 loans, the administration of the student loan fund created under
14 AS 14.42.210 and the payment of and security for bonds of the corpo-
15 ration. Proceeds from the sale or assignment of the notes or other
16 instruments shall be deposited in the teacher scholarship revolving
17 loan fund.

18 * Sec. 21. AS 14.43.630(a) is amended to read:

19 (a) The teacher scholarship loan program shall be administered
20 by the commission [STUDENT FINANCIAL AID COMMITTEE (AS 14.43.095)] in
21 accordance with regulations adopted by the commission [COMMITTEE].
22 The commission [COMMITTEE] shall

23 (1) allocate the loan awards available for teacher scholar-
24 ship loans annually to local school boards giving a preference to
25 rural school districts; and

26 (2) develop and distribute to the local school boards an
27 application form for teacher scholarship loans; the form shall include
28 a requirement that the applicant supply a high school academic tran-
29 script and a statement of intent to enter a teaching career at the